

CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 INTRODUCTION

The Annual Report serves as a communication tool for providing broad information on activities carried out and services provided, and for comparing actual service delivery with projected service delivery. The information in this annual report will allow taxpayers, the community, and the wider public to assess how the Municipality has performed in relation to stewardship of community needs, efficiency, effectiveness, and cost-effectiveness of operations.

The Annual Report template is structured into 6 Chapters. Chapter 1 of the report provides an overview of the Municipality, and a brief summary of key service delivery imperatives. Good governance and Public participation form key elements of Chapter 2. The implementation of the Municipality's Service delivery Budget Plan is outlined in detail in Chapter 3. Chapter 4 centers around the Human Resource Administration and Organizational Development aspects of the Municipality. Audited financial statements of the Municipality are shown in Chapter 5. Lastly, Appendices relating to certain chapters are appended hereto as part of Chapter 6 of the Annual Report.

To this end, all chapters of the annual report will give an expression on the mandate of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003) and it is intended to be understood from the following key sets of information:

- (a) the performance of the municipality and each of the external service providers during the financial year in question;
- (b) a comparison of the performances referred to in paragraph (a) with their targets for previous financial year;
and
- (c) measures taken to improve performance

1.2 MUNICIPAL OVERVIEW AND SOCIO-ECONOMIC PROFILE

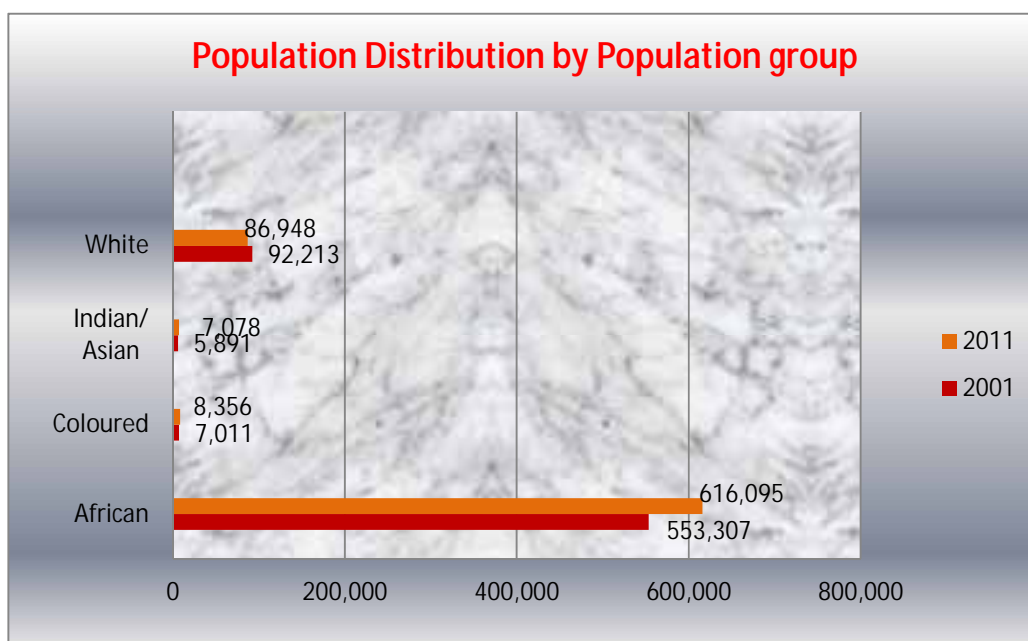
1.2.1 Overview

Emfuleni Local Municipality (ELM) is one of the three local municipalities that constitute the Sedibeng District Municipality. It is the western most local municipality of the district, which covers the entire southern area of the Gauteng Province extending along a 120 kilometer axis from east to west, covering an area of 987.45 km².

ELM is strategically located with access to a vast national road network. The N1 national road which links Johannesburg and Bloemfontein traverses part of Emfuleni Local Municipality area. The Municipality has two main city/town centres, namely, Vereeniging and Vanderbijlpark. It forms the “heartland” of what was formerly known as the Vaal Triangle, renowned for its contribution to the iron and steel industry in South Africa. It contains six large townships and these are, Evaton, Sebokeng, Sharpeville, Boipatong, Bophelong and Tshepiso.

1.2.2 Population Details

i) Population by Group



Source: Census, 2011

The above graph represents the population distribution by group. The African population has increased significantly from 553 307 in 2001 to 616 095 in 2011 which translates into 11.3% growth and remains the highest. It is followed by White showing a decrease from 92 213 in 2001 to 86 948 in 2011 and translates into 6% decrease. The Colored population growth has increased by 19% from 7 011 in 2001 to 8 356 in 2011. Indian/Asian population is the lowest but shows an increase from 5 891 in 2001 to 7 078 in 2011, which translates into 20% growth.

(ii) Households

HOUSEHOLDS DYNAMICS	YEAR	
	2001	2011
Households	186 926	220 135
Average Household Size	3.5	3.3
Female Headed Household in %	35.3	36.3
Formal Dwellings in %	81.8	85.3
House Ownership/Paying Off in %	56.5	48.8

Source: Census, 2011

The above table depicts household dynamics and shows a significant increase in the number of households, from 186 926 in 2001 to 220 135 in 2011. There is a slight decrease on the average household size from 3.5 per household in 2001 to 3.3 in 2011.

The female headed household has increased slightly from 35.3% in 2001 to 36.3% in 2011. The formal dwellings have increased significantly from 81.8% in 2001 to 85.3% in 2011. There is a significant decrease from 56.5% in 2001 to 48.8% in 2011 on the percentage of houses that are owned or are being paid off.

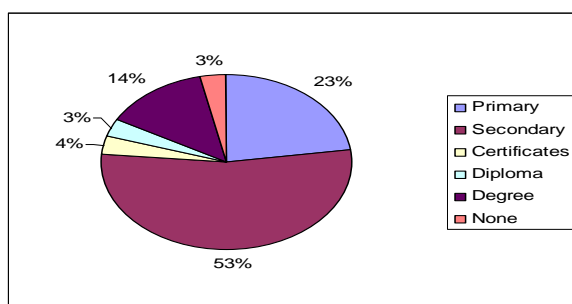
(iii) Level of Employment

The number of employed people has tremendously increased from 93 537 in 2001 to 202 543 in 2011. The table below shows more than 100% increase of employed people within a period of 10 years. At the same time, the number of unemployed people also increased from 63 160 in 2001 to 107 555 in 2011. This shows an increase of more than 90% of unemployed people. The table also indicates 34% unemployment rate within the Municipality's area.

EMPLOYMENT STATUS	YEAR	
	2001	2011
Employed	93 537	202 543
Unemployed	63 160	107 555
Unemployment Rate		34%

Source: Census, 2011

(iv) Education Level



Source: Census, 2011

The graph above illustrates the education levels within Emfuleni Local Municipality area. It shows that 23% of the population within Emfuleni has a primary school education and that 53% have completed secondary school education.

In total, 3% of the population has no education, which constitutes a significant section of the population. Only 1% of the population has a post-school educational qualification. Higher education levels are usually associated with higher income levels and certain employment categories, such as professional and managerial positions.

(v) Annual Household Income

ANNUAL HOUSEHOLD INCOME	YEAR	
	2001	2011
No Income	47 333	39 042
R1 - R4 800	12 583	10 720
R4 801 - R9 600	28 578	15 331
R9 601 - R19 200	30 695	33 902
R19 201 - R38 400	28 855	38 353
R38 401 - R76 800	19 962	29 795
R76 801 - R153 600	12 831	23 099
R153 601 - R307 200	6 523	16 756
R307 201 - R614 400	1 822	9 277
R614 401 - R1 228 801 - R2 457 600	388	3 426
R2 457 601 and more	190	425

Source: Census; 2011

All income categories above R9600 per annum experienced significant increases ranging from 10% to 783%. The categories below R9600 per annum experienced significant decrease ranging from -17% to -46.4%. This suggests a

reduction in the number of households earning below R9600 per annum and an increase in household earning above. In general there has been a significant increase in annual household income.

1.2.3 Overview of Wards within the Municipality

Number of households per ward					
Ward no.	Households no.	%	Ward no.	Households no.	%
1.	5793	2.63	24.	3423	1.55
2.	4771	2.16	25.	2754	1.25
3.	5788	2.62	26.	7975	3.62
4.	5339	2.42	27.	3224	1.46
5.	5752	2.61	28.	7326	3.32
6.	7570	3.44	29.	5009	2.28
7.	5932	2.69	30.	3219	1.46
8.	4443	2.08	31.	2820	1.28
9.	7639	3.47	32.	3178	1.44
10.	5692	2.59	33.	4293	1.95
11.	6267	2.85	34.	3057	1.39
12.	3361	1.53	35.	2988	1.36
13.	4810	2.19	36.	7037	3.19
14.	4021	1.83	37.	2952	1.34
15.	8041	3.66	38.	4214	1.91
16.	5033	2.29	39.	3867	1.76
17.	3611	1.64	40.	3397	1.54
18.	4673	2.12	41.	3626	1.65
19.	4757	2.16	42.	6060	2.75
20.	4767	2.16	43.	5481	2.49
21.	5791	2.63	44.	6318	2.87
22.	5263	2.39	45.	3920	1.78
23.	4883	2.21			
Household Grand Total 220135					

Source: Census, 2011

There are 45 wards in ELM. The wards are used primarily to facilitate public participation in municipal planning through ward Councillors and ward committees. The table above reflects the number of households per ward. Ward 15 (3.66%) has the largest number of households and Ward 25 (1.25%) is the least populated ward (characterized predominantly by small farms and agricultural holdings). The remainder of wards' figures show varying ranges between the two aforementioned wards.

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 Electricity

ELM provides electricity within its jurisdiction as prescribed in the distribution license issued by the National Energy Regulator of South Africa (NERSA) and ELM's jurisdiction includes Vereeniging and all its extensions, Vanderbijlpark and all its extensions, Bophelong, Boipatong, Roshnee, Rustervaal, Eatonside and Ironsyde, Tshepong, Tshepiso North and Vaalower. All areas that fall within our municipality but not mentioned above are supplied by Eskom in terms of the distribution license issued to them by NERSA.

ELM through its Electricity Department is responsible for the purchase, transmission and distribution of electricity to all its consumers as its primary function. Further responsibilities are related to the maintenance and operation of the public lighting system throughout the municipal area of jurisdiction.

Electricity Infrastructure

The electricity infrastructure consists of the following:

Item	Quantity
Primary substations	38
Secondary substations	636
Miniature substations	450
High voltage cables (m)	62,438
High voltage overhead lines (m)	88,782
Low voltage cables (m)	960,438
Low voltage overhead lines (m)	335,782
Streetlights (approx.)	24 500
High mast lights	662
Traffic lights	124
Prepaid electricity meters	42,057
Conventional electricity meters	22,267

The estimated replacement value of the electricity and public lighting networks amounts to R3,5bn. There is a massive capital requirement amounting to approximately R1bn for the extension to and/or upgrading of the electricity infrastructure as well as for the renewal program. This amount should be funded through developers for specific developments, possible grants from national government through their envisaged refurbishment project and the balance from the municipal budget.

Purchase of electricity by ELM from Eskom

The area covered by the Municipality consumed 2 283 835 066kWh of electricity at a monthly maximum demand of 425MVA. In accordance with the latest statistics reported to NERSA there are approximately 65 270 consumers of which 59 296 are residential and agricultural. The residential and agricultural consumers consume approximately

20% of the total energy distributed by the Municipality. The other 80 % of electricity is consumed by the industrial and business consumers. The bulk purchase of electricity procured from Eskom for 2012/13 amounted to R1,332,969,506. The average bulk purchases for electricity per month for 2012/13 were as follows:

Months	Energy (kWh)	Demand (kVA)	Amount	c/kWh
July	211 449 826	406 865	174,510,158	82.01
August	209 008 629	425 907	172,127,680	81.73
September	191 707 218	391 623	94,047,472	48.22
October	180 207 303	370 815	90,549,067	49.75
November	180 881 147	371 664	89,972,153	49.39
December	156 410 045	375 671	79,822,545	50.61
6 months sub total	1 129 664 168	425 907	701,029,076	61.51
January	184 172 382	372 306	94,996,754	50.89
February	176 576 182	375 671	87,711,945	49.36
March	186 389 352	377 280	90,658,109	48.1
April	192 253 712	384 716	94,272,004	48.9
May	209 958 590	395 326	103,507,140	48.67
June	204 820 680	409 094	160,786,745	76.81
6 months sub total	1 154 170 898	409 094	631,932,696	54.07
12 months Total	2 283 835 066	425 907	1,332,961,772	57.75

Personnel

The Electricity Department has an approved organogram of approximately 250 positions. 30% of the approved positions are however vacant. The functions executed by the abovementioned personnel include the following:

- Administration
- Planning and management of projects (these include the full tendering process for projects)
- New and/or larger electricity connections
- Updating of network related diagrams
- Central control room where all electricity complaints are received and personnel dispatched
- Maintenance and operation of the electricity network
- Maintenance and operation of the public lighting network
- Test , metering and protection related functions
- Monitoring the Quality of Electricity supply in terms of the NERSA requirements
- Management of the prepaid vending for electricity
- Monitoring and compilation of the electricity accounts of the Municipality's largest consumers of electricity

Energy Efficiency and Green Energy

In order to adhere to the international drive for energy efficiency the Municipality endeavors to utilize electricity equipment that has the highest possible level of efficiency. This would include low loss transformers and the optimization of cable and overhead line systems to reduce “losses” to the minimum. Further use is made of more energy efficient lighting sources for the public lighting (street lighting as well as traffic signals). This does not only save electricity but also ensures the functioning of the traffic lights when a general power failure is experienced.

Ninety percent (90%) of the street lighting has been replaced with more energy efficient units and the plan is to replace the remaining 10% during the 2013/14 financial year. The replacement to date has already realized a saving in energy consumption of approximately 45% of the streetlight energy consumption of the previous year.

All the lights of the traffic signal systems have been replaced with energy efficient “LED” type lights leading to a saving of 86% in the energy consumption of the traffic lights, whilst a project has also been rolled out for the installation of more energy efficient lighting for the main municipal office building.

Developers of new areas are encouraged to make use of energy efficient building methods as well as solar power systems for heating in houses, especially. Although not funded by the Municipality the roll out of solar water heaters is supported and encouraged. A large roll out of solar water heaters has already been approved in the township areas, which has led to an improvement in the life of the residents who have benefitted from this action.

Achievements/Highlights

- 1 400 houses situated in Tshepong Phase 2 were connected to the electricity network. The design and implementation of the network was done for 45 ampere connection instead of 20 ampere as was done previously for similar developments. This design provides better access and continuity, especially in winter conditions when the loading normally increases. Seven high mast lights were also installed at the same time. This was also done in Tshepong phase 1 and Tshepiso N ext. 3, the previous year, with good results. This is achieved because the Municipality provides top up funding to that received from Department of Energy (DoE) to ensure a proper electricity network.
- The traffic lights at three traffic intersections were also equipped with Photo Voltaic power supplies to reduce the use of conventional sources of electricity and to ensure that the traffic lights remain functional during power failures.
- Free Basic Electricity (FBE) is made available to all registered indigents at 50kWh per month. FBE is provided to approximately 3411 consumers on a monthly basis (610 consumers supplied by the Municipality and 2801 consumers supplied by Eskom). As not all consumers take up their allocated 50kWh every month the total number of beneficiaries is not constant every month.
- The load control system was installed in most of the households to which the Municipality supplies electricity and was completed during the financial year. The system is used for the reduction of energy consumption at

peak times of electricity usage and to reduce the cost of electricity by shifting the consumption of energy from the very expensive peak times to the relatively lower cost in standard or off peak times.

- Up to 99.7% of all electricity complaints received are attended to within 24 hours of being received by the control Centre.

1.3.2 Waste and Landfill Management

Waste management in Emfuleni Local Municipality is categorized according to the following key functions; household, illegal dumps, business and industrial refuse collection, informal settlements, CBD cleansing, and landfill sites operations and management. Waste is collected once a week to a total of 188,254 out of 220,135 households in ELM areas. The remainder of the households represents the informal settlements that are serviced through the removal of illegal dumps. The Municipality collection is 95% on weekly curbside collection to all formal households.

Business waste is collected on a daily basis in the Vanderbijlpark, Vereeniging area (a total of 1,453 stands), Sebokeng and Evaton. Street sweeping services are also being done daily on a six day week basis in CBD areas of Vereeniging, Vanderbijlpark (and outer business centers), Sebokeng taxi rank and all main roads.

The Municipality is guided by the following environment/waste, pieces of legislation and standards:

- Local Government Systems Act (Act 32 of 2000) - To provide core principles, mechanisms and processes necessary to uplift local communities.
- National Environmental Management Waste Act (Act 59 of 2008) - To provide reasonable measures for the prevention of pollution and ecological degradation and to provide sustainable development.
- Gauteng Municipalities Service Delivery Norms and Standards (2010) - To develop service delivery standards which constitute the core of what to achieve in terms of excellence in the delivery of services.
- Gauteng General Waste Collection Standards - To ensure the provision of consistent uniform waste collection and cleaning services that are equitable, environmentally appropriate as well as socially acceptable to the communities.
- Gauteng norms and standards based on the National Environmental Management Waste Act (Act 59 of 2008) - To provide weekly removal of refuse at all formal and informal regions in ELM
- Implement waste separation and programmes in all formal areas and;
- removal of illegal waste within a period of 48 hours.
- By-Law guided by the National Environmental Management Waste Act (Act 59 of 2008) - To regulate the handling of waste in a manner that does not cause pollution and environmental degradation in the ELM areas.

Waste Infrastructure

In terms of bulk service delivery and final disposal of waste at landfill sites, the Municipality operates 4 mini dump/transfer stations in the Vereeniging area (that were upgraded during the 2010/2011 financial year). The Municipality also has 3 operational Landfill sites (Waldrift, Boitshepi and Palm Springs) and 1 closed and rehabilitated Landfill site (Zuurfontein) of which all have approved permits issued. The operations of the three (3) operational landfill sites are currently outsourced to external contractors. The estimated capital needs are R122million over the next 10 year period for new and upgraded sites; but a further R89.7million for rehabilitation is needed; these totals to R211.8million.

Achievements/Highlights

In terms of the reduction of waste strategy, the Municipality is shredding all bulky greens received at the 4 mini dump/transfer stations in the Vereeniging area and transporting them to the composting area at Waldrift landfill site to be utilized in the rehabilitation of completed landfill cells.

In addition, the Municipality has for a number of years taken part of the Gauteng Department of Agriculture and Rural Departments (GDARD) Bontle Ke Botho programmes, formally introduced to all wards and schools, to educate and reduce environmental degradation and pollution. A total of R455 000 in prize money was awarded (5 wards and 6 schools - provincial level) to ELM. In addition to this, ELM was elected as the winner for the 2012/13 financial year Bontle Ke Botho programme (Clean competition). The Municipality will be taking part in the National Clean and Green competition for the 2013/2014 financial year, representing the Gauteng Province.

Legal compliance equivalent to 2 times external audits, came to an average of 77.69%, and this was achieved mainly as a result of the Palm Springs Landfill site not fully developed as yet. It is expected that the site will be fully constructed by 2013/2014 financial year.

Gauteng norms and standards based on the National Environmental Management Waste Act (Act 59 of 2008) require the Municipality to reduce its waste by 10% annually. A total of 19% of the waste stream was achieved at 2 landfill sites (Boitshepi and Waldrift) with access to weighbridge facilities, contributing to the recorded 19% for the 2012/2013 financial year saving as a result of chipping of greens and identified suitable cover material received at the respective landfill sites.

1.3.3 Water Provision

Emfuleni Local Municipality complies with the National Water Act, (Act no 36 of 1998). The purpose of the National Water Act, (Act no 36 of 1998) is to ensure that the Nation's water resources are protected, used, developed, conserved, managed and controlled in ways which take into account factors such as:

- Meeting the basic human needs of present and future generations
- Promoting equitable access to water
- Promoting the efficient, sustainable and beneficial use of water in the public interest
- Providing for growing demand for water use

To achieve this purpose the Act makes provision for suitable institutions and additional Acts to be put in place such as Water Services Act. The purpose of the Water Services Act (Act of 1997) provides for:

- Rights of access to basic water supply and basic sanitation;
- Provide the setting of national standards and of norms and standards for tariffs.
- Necessary to secure sufficient water and environment not harmful to human health or well being
- Preparation and development of Water Services Development Plans by Water Services Authority
- Provision of effective water resource management and conservation

The Water Act requires DWA to implement a management system to ensure that all Water Services Authorities comply with National Water Act requirements. DWA implements and manages the Blue Water System (Blue drop) to regulate the compliance of Water Services Authorities. Blue drop system evaluates the total management process of water services authorities regarding budget, planning, operations, water demand conservation, water quality, monitoring and evaluation. ELM received Blue drop compliance for the past three consecutive years.

Bulk Water Purchases

The table below represents the monthly bulk water purchases:

MONTH	TOTAL KI	TOTAL R
12-Jul	8,004,760	39,380,133
12-Aug	7,798,142	38,378,778
12-Sep	7,419,095	37,202,452
12-Oct	7,799,141	41,739,882
12-Nov	7,788,938	38,218,885
12-Dec	7,439,446	38,336,124
13-Jan	8,386,848	42,268,203
13-Feb	7,160,462	36,713,368
13-Mar	7,891,062	39,205,070
13-Apr	8,149,830	42,867,302
13-May	7,127,279	36,126,834
13-Jun	8,011,151	41,827,494
TOTAL	92,976,154	472,264,525

The Municipality experienced a 2.78% increase in bulk water demand during the 2012/13 financial year which resulted in a total bulk water usage of 92 976 154KL at the cost of R470 699 838. The bulk water demand trends over the past 5 years indicate 4% growth expectancy. The bulk water demand only increased by 2.78% during 2012/13 financial year, this can be contributed to the water demand and conservation initiatives.

Water infrastructure

There is 100% water supply coverage to all formal settlements and the informal settlements receive water in accordance with RDP standards.

The water network infrastructure consists of the following:

- 2882 Km water supply
- 14 528 water network valves
- 1482 fire hydrants
- 99 pressure reducing valves
- 15 reservoirs
 - 11 low level
 - 4 high level

Key deliverables are as follows:

- *Water Distribution to all communities*
- Assist public with water complaints through Water Management System programme and stand-by numbers.
- Meter auditing and integrating of management systems
- Meter replacement programme
- Maintain Blue drop status (Water quality)
- Water conservation and management

Achievements

- **Reported Water Losses:** The Municipality reported material losses on water, which affect the liquidity and sustainability there-of. Several interventions have been adopted to address the water losses, and include the following:
 - Metsi-a-lekoa reduced the water losses by 4.6% through the water conservation initiatives implemented during 2012/13.
 - Private Public Partnership between Sasol/GIZ and Emfuleni Local Municipality focusing on fixing water leaks on internal plumbing installations of private properties in the areas that are billed through flat rate tariffs. Phase one of the project is completed and cumulative savings of 2 076 793 cubic meters achieved, R10, 513, 490.00 at bulk purchase price. This relates to a reduction of 2.3% on bulk purchases. Phase 2 of the project will start in the next financial year.
 - Pressure Reducing Valves (PRV) maintenance and upgrading. The project focuses on the servicing and replacement of PRV within the Emfuleni water supply network. The effective reduction of water pressure ensures a reduction in leakages and pipe bursts. The Emfuleni supply network consists of 99 PRV's of which 36% problematic ones were maintained and upgraded.
- **Meter replacement programme:** ELMhas replaced 809 water meters which improved the accuracy of water consumption measurement.

1.3.4 Sanitation Services

The purpose of the sanitation in Emfuleni is to ensure that the water resources are protected, used, developed, conserved, managed and controlled as per National Water Act, (Act no 36 of 1998) in order to ensure that the following factors are achieved:

- Collection, conveyance and treatment of waste water;
- Reducing and preventing pollution and degradation of water resources;
- Protecting aquatic and associated eco system and their biological diversity;and
- Promoting dam safety.

There is 100% sanitation coverage in all formal settlements. Sanitation provision is still a challenge in areas that are not yet formalized as townships, but they do make use of Pit / Long drop toilets. The Sanitation gravity network provides waterborne sewer connections to 230 000 stands in the Emfuleni Local Municipal area, 5250 agricultural holdings (plots) make use of on-site sanitation systems like French drains and septic tanks. It should be noted that the users of Pit / Long drop toilets, French drains and septic tanks are not being serviced by ELM.

Sanitation Infrastructure

The sanitation network Infrastructure consists of the following:

- 2 600 Km of gravity sewer pipe lines.
- 33 328 Sewerage manholes
- 44 sewerage pump stations
- 34 Km Sewer pump pipe lines
- 94 sewer pumps

The Municipality treats the effluent through the following water care works:

- Sebokeng Design Capacity 100MI/day.....average daily flow 145MI per day
- Rietspruit Design Capacity (36MI/day).....average daily flow 32MI per day
- Leeuwkuil Design Capacity 36 MI/day.....average daily flow 46MI per day
- The effluent Waste Water quality discharged into the receiving water body of Vaal and Rietspruit Rivers complies with the Department of Water Affairs (DWA) license.

The plants complied as follows:

- Sebokeng is 97%
- Rietspruit is 92%
- Leeuwkuil is 91%

Green Drop Certification Progress

The three Treatment Plants were assessed, the results were supposed to be announced at the fourth Municipal Water Quality Conference, but are still pending.

Highlights

All the plants complied with more than 90% for 2012/13 financial year as per the DWA Water Use license requirements.

1.3.5 Roads and Storm Water

Roads and Storm Water Department plays a significant contributory role in the economic development of the Municipality through planning, provision and maintenance of the road and storm water infrastructure. The department consists of three units namely planning, operations and auxiliary with different focus but taking an integrated approach in rendering the service to the community. The Department is also responsible for the development, implementation and management of various electronic management systems and master planning for all roads infrastructure. It is also responsible for the quality of implementation of capital projects, administration of the capital budget and approval of applications for new development

The road infrastructure of Emfuleni Local Municipality links directly to national roads thus making access to other key strategic economic hubs like Johannesburg, Ekurhuleni, and the City of Tshwane etc. easy and convenient. The safety of the community and protection of property from uncontrolled water flow due to rain and floods is managed through a network of 508km of storm water pipes, 60km of lined canals and 169km of unlined canals supported by 12, 270 catch-pits. The planning of roads also includes provision of storm water pipes in the previously disadvantaged areas as part of the equalization of services.

The tarred road network hierarchy comprises of 245km of primary roads, 204.4km of secondary roads, 206.1km of main tertiary roads and 772.4km of tertiary roads giving a total of 1,484 km of tarred roads. There is a concerted effort on the part of the municipality to have the other parts of the road network hierarchy to be tarred which comprises of 1,031 km of gravel roads. Safety on the roads is enhanced by 14,602 traffic signs and road markings standing at 158,445 square meters. To address the problem of tarred roads, the department is also looking at alternative road construction methods to transform the 1,034km of gravel roads into tarred roads.

The maintenance of the road and storm water infrastructure is done through three maintenance depots strategically located in Vanderbijlpark, Vereeniging and Sebokeng. Cumulatively they maintain 1 484km of tarred roads, 1 031km gravel roads, 144 041m² road markings and 9691 road signs in order to provide a functional roads network.

The core functions of the Roads and Storm Water are the following:

- To ensure the safety of human life and properties, as well as ensuring infrastructure for economic development through the provision of functional roads, road traffic sign network and storm water;
- To ensure that the services are provided in an equitable, affordable and sustainable manner;
- To ensure that planning of developments in the area comply with regulatory and legislative framework in terms of Acts, bylaws and local standards;
- Planning and design of new roads, Construction of new tarred road and gravel, Maintenance of existing tarred and gravel roads; and

- Evaluating Town Planning applications.

1.3.6 Housing delivery and backlog

Housing is a concurrent function of the national and provincial government. The role of ELM is to facilitate and support Provincial Housing programmes and ensure that necessary approval of Council is obtained.

The housing backlog on the demand database is currently at approximately 53 140 households, which includes the informal settlement areas, the rural areas and backyards. The current housing projects will yield a total of 23 259 housing units with a shortfall of 29 781 households to be accommodated with projects that are currently under planning namely; Leeuwkuil (5 000); Sonderwater–Phase 2 (679); Cyferpan (4 650); Johandeo –Phase 2 (11 900); Unitas Park (2 950); Rust-ter-vaal (5 300); Vlakfontein (1 440); Houtkop (1 800).

The Provincial Government has established a Regional Team mandated to expedite the implementation of housing and infrastructure projects within the identified land development. The 2012/2013 financial year housing delivery is summarized as follows:

Houses Built	Number
Tshepiso North Ext 3	1 078
Tshepiso North Ext 4	976
Lakeside Ext 4 (Rectification)	320
Sebokeng Ext 24	28
Sonderwater	53
Total	2 455

1.3.7 Public Safety

ELM's Traffic and Security Services is aligned to the National Crime Prevention Strategy, the Provincial Crime Prevention Strategy and the District Crime Prevention Strategy. The function is divided into 3 regions and has successfully implemented the National Rolling Enforcement Program and all the targets set by the National Department of Transport were met. Joint roadblocks were also held with the SAPS and different Provincial Traffic Departments. 24 Road Safety promotional campaigns were conducted in schools and in the community, based on vulnerability and risk assessments conducted and as per the request from the community. Social Crime Prevention Campaigns were held with the Departments of Education, Correctional Services, Provincial Community Safety, SAPS, the CPFs targeting school safety, drug abuse, re- integration of offenders to the community as per correctional services guidelines and policies, domestic violence and all forms of abuse.

ELM's Fire, Rescue and Disaster Management Services have 3 Fire Stations which are strategically placed in the area. The Municipality has attended to more than 2246 calls within the applicable South African National Standards (SANS) Code response time of 20 minutes for first calls and 35 minutes for the second calls. The Department

responded to 5 windstorms and 2 floods (natural related incidents). Emergency relief and support were given in the form of 552 x blankets, 6 x salvage sheets, 13 x tents. 29 Referrals to food bank were made to assist families in need of relief. The Municipality has won a number of National Awards for sterling performance. It has also responded and saved lives in major disasters such as the Arcellor Mittal Arch furnace Disaster.

The Municipal Court Department is managing two (2) courts, namely Vanderbijlpark and Vereeniging. Preparations to build a municipal court in Evaton has commenced and is at an advance stage. During this financial year the Municipality has collected fines to the amount of R28 148 885 whilst 78 048 cases were adjudicated, 45 362 warrants of arrest were finalized and 22 369 representations were considered. To enhance service delivery the Municipal Court's Help Desk has received 34 782 telephone calls with regards to fine enquiries and payment. The Help Desk also received e-mail (5781) and fax (4753) enquiries during the past year.

1.3.8 Parks and Cemeteries

The Municipality manages 12 cemeteries of which 6 are active and the other 6 dormant. For the year under review graves were provided to facilitate 5 056 burials. The Municipality is also the custodian of 95 developed parks and 613 undeveloped public open spaces and maintained 15 400 000m² developed and undeveloped public open spaces by means of grass cutting. Two gateways welcoming the community to the municipal area were erected in partnership with the Gauteng Provincial Department of Environment and Tourism.

1.3.9 Health and Social Development

ELM manages 18 fixed clinics and 3 mobile clinics. It has improved services to the community with the upgrading of Beverly Hills and Zone 13 clinics, the establishment of 3 additional mobile clinic points (Lakeside, Bophelong Ext and Sonlandpark), the increase of Antiretroviral treatment sites by 4 (Driehoek, Rust-ter-Vaal, Evaton Main and Tlhokomelong clinics) and the provision of extended operational hours at Market Avenue, Bophelong, Boipatong, Zone 12 and Zone 17 clinics.

A total of 813 396 public health users had access to the comprehensive PHC core package through the clinics of Emfuleni Local Municipality and the TB cure rate has improved from 80% to 80,3%.

The Municipality in partnership with Provincial Government, the District Municipality and the Private Sector such as Arcellor Mittal are continuing the fight against environmental degradation and reducing the Municipality's carbon footprint through adherence to licensing conditions and rehabilitation of wetlands. The Municipality achieved, amongst others, 4005 Pre-School and 362 Funeral Undertaker Premises inspections.

The Municipality has developed a new policy for access to basic services. This policy has ensured that a greater number of indigent households in the municipal area have access to basic services. This policy has been implemented by means of the verification of indigent applications.

1.3.10 Sport, Recreation, Arts, Culture and Library Information Services

Library Information Services is managing thirteen (13) community libraries. The division, amongst others, presented Born-to-Read, a Debate competition, the Library Week Program and Youth Month Awareness campaigns. Emfuleni Local Municipality's libraries continue to be a shining example in the country; ELM libraries have been used as a benchmark in the process of upgrading all libraries in the Gauteng province to be Information and Communication Technology (ICT) compliant.

The Municipality's Sport and Recreation function is managing 21 formal and 42 informal sport and recreational facilities. Other programmes presented, included the OR Tambo Games, the Eindhoven soccer project (Netherlands), Learn-to-Swim Programme, Rugby development programme, the Human Rights Sport Plan, Judo development, Cycling development and Boxing development.

The Municipality with the hosting of the Vaal River Carnival, managed the Mother Tongue Celebrations, a fashion show, and a drama festival.

1.4 NATURAL, CULTURAL AND HERITAGE RESOURCES

The Municipality's combined effects of its natural resources and historical heritage have carved an important economic niche that gives it an edge over other localities in Gauteng Province. Firstly, the physical landscape is predominantly structured by continuous natural watercourses (spruits) which empty their content into the Vaal River which constitutes the Municipality's boundary. These alignments of the watercourses define uninterrupted greenbelts linked directly to the southern bound Vaal River. These greenbelt continuums provide the Municipality with ample opportunities to develop recreational open spaces with scenic, conservancy and tourism value needed to generate greater business opportunities and employment.

Natural Resource/Other Resources	Relevance to Community
Natural Watercourses; Upper Barrage Catchment area in the Vaal River	Watercourses define uninterrupted greenbelts with ample opportunities to develop recreational open spaces to generate greater business opportunities and employment.
Heritage and Historical precincts	The potential advantages of the rich History and Heritage precincts of the area can be used to developed and promote the Tourism Industry to its fullest potential in Emfuleni to the benefit of all.



The Municipality area has the largest stretch of inland navigable water in the country, which has been used for years for recreational and sporting activities.

The Municipality also consists of places or sites associated with anti-apartheid struggles/uprisings including the Sharpeville massacres in the 1960s. The potential advantages of natural resources and human rights heritage sites can be combined to give great impetus to promote the tourism industry to its fullest potential.

ELM is rich in history as it encapsulates the South African War with the signing of the peace treaty in Vereeniging, heritage assets such as the Sharpeville Monument and the liberation struggle epitomized by the signing of the Constitution in 1996 in Sharpeville. ELM's settlement patterns are largely dictated by the history of the area.

Former President Nelson Mandela officially signed the New Constitution of Republic of South Africa on 10 December 1996 at the George Thabe Stadium in Sharpeville. Mr. Cyril Ramaphosa, Chairperson of the Constitutional Assembly, best explained the reason the Vaal was chosen to play host to this historic event:



"Sharpeville being close to Vereeniging, both powerful symbols of past relationships between South Africans, we are making a break with the past. A break with the pain, a break with betrayal. We are starting a new chapter. The new Constitution South Africans of every race, creed, religion and sex have the right to human dignity, equality and freedom.

1.5 FINANCIAL HEALTH OVERVIEW

The promulgation of the Municipal Finance Management Act ,no 56 of 2003 (MFMA) and implementation of GRAP were key milestones in ensuring that local government finances are placed on a sustainable footing in order to meet their constitutional obligations and report accurately within the set norms and standards.

Emfuleni Local Municipality has proven that it is committed to sound financial management by continuously improving its audit out-come. This supported by an unqualified audit opinion obtained in the 2011/12 financial year, moving from a qualified report for consecutive years (08/09, 09/10 and 10/11). Understanding the Provincial and National targets for a clean audit, the municipality is on the right course with the intention to retain an unqualified audit report for the year, of reporting.

Budget and financial modeling

The municipal budget has been compiled and implemented in terms of Chapter 4 of the MFMA, with the considerations of requirements of Municipal Budget and Reporting Regulations. The process which outlines the key deliverables, timeframes and relevant stakeholders, was adopted by council to give effect to a well-informed municipal budget. The implemented budget was monitored periodically, resulting into the formulation of mid-year assessment report, as well as the adjustment budget. This was to ensure that available limited resources would be allocated efficiently to meet service delivery targets. The Municipality is currently formulating the Long Term Financial Plan and tariff modeling, which are going to influence the 2014/15 MTREF budgets, also addressing the financial recovery process.

Review of Operating Results

The operating activities culminated in a deficit of R 115 million (2011/12: restated surplus of R884 million) for the financial period under review. The key contributor in this regard is the unbundling process of the infrastructure assets, the total net current value of non-current assets decreased by 1.14% when compared to prior period. The net effect resulted with the depreciation recalculation of R 514 million which is R 164 million above the budgeted figure.

The effect of the unbundling of Infrastructure Assets was informed by the requirement of Generally Recognized Accounting Practices no. 17 (GRAP 17) as determined by Accounting Standard Board. The realized outcome will not affect the budget outcome for the on-coming financial years, as the municipality will be applying the guidelines of MFMA circular 58.

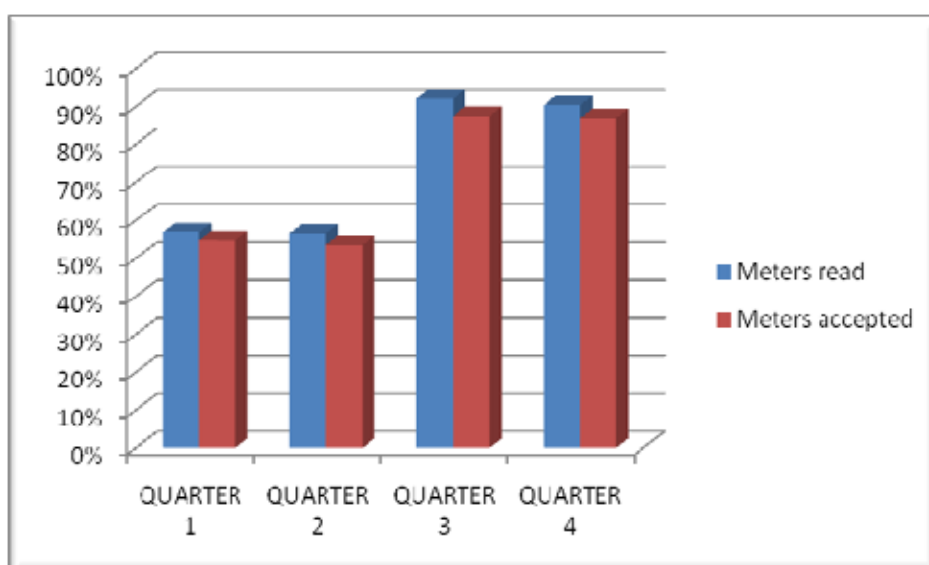
Cash Flow and Liquidity

There is, overall, a major improvement on the financial performance considering the difficult cash flow situation the Municipality experienced; this is indicated within the “cash flow statement”. The cash movement, revenue versus spending, was monitored thoroughly to ensure that the spending levels are maintained below the collection rate.

Billing and revenue matters

Billing accuracy and completeness has remained a priority in the year under review. The ELM has continued to implement its turn-around strategy that was approved in 2011/2012 after a comprehensive assessment of revenue function. The strategy hinges on three pillars namely: customer care, billing and credit control.

In order to address issues relating to customer care, it has been important to pay attention to the quality of our product, which is billing accuracy. We have implemented cyclical meter reading consisting of 15 cycles. All cycles are managed according to reading schedules that ensures that all meters are read on a monthly basis. The cyclical approach has yielded success by improved reading accuracy from approximately 54% to 89% (see table below). The other 20% that is not read, is as a result of things such as gates that are locked, meters that are not functioning.



There is a program of meter replacement to address non-functional meters, and meters have been replaced in the current financial year. There are approximately 83 000 stands in the townships that are billed 20 kiloliters monthly flat rate due to lack of meters. At the time of this report , ELM was evaluating a bid for smart metes that will cover all areas of ELM including the 83 000 stands to ensure that all household are billed based on actual consumption, this is also part of the turn-around strategy approved by council.

Credit Control has been the most complex challenge to address. That is caused by corrupt practices of employees or service providers, and when credit control is eventually implemented correctly, often the accuracy of our data has been inadequate. In order to address that, ELM has appointed a service provider that deals with disconnection in credit control. The approach is that when ELM disconnects customers that are defaulting, monitoring is done to ensure that they remain disconnected. ELM has also adapted the strategy to do focused disconnection, which makes it difficult for illegal and/or unauthorized reconnections. The focused disconnection method requires that accounts that are subjected to credit control are analyzed and reconciled to proactively eliminate customer queries. This has assisted by ensuring that credit control exercise becomes part of the data cleansing.

ELM has conducted a comprehensive data cleaning exercise for all accounts. The exercise involves verification services that are billed, ensure that all household that are receiving services have meters and are linked to appropriate tariffs account has been subjected to the exercise. As part of the data cleaning, it became necessary to link the billing system to Geographic Information System (GIS) to ensure completeness of revenue. The pilot project of linking has been completed. The full roll out will be completed in the next financial year.

The liquidation of debtor book was also finalized in the current financial year with the appointment of two service providers. The book is split into two categories, that is debtors between 60 and 90 days in arrears and debtors owing over 90 days. The over 90 days debt book was finalized with a right to collect offer fee of R240 million rand payable to ELM.

ELM held revenue summits with the residents in four (4) regions as part of the Executive Mayor's operation patala. This is part of the process where residents are engaged on the importance of paying for their services and how the funds are utilized. During the summit, residents of ELM unequivocally declared:

Understanding and noting how Emfuleni Local Municipality strives to provide services to the Community and the costs associated with these services, we hereby declare:-

- We commit to protecting the Municipal infrastructure that provides service to the Community.
- We will preserve, conserve and use Municipal services sparingly and wisely.
- We will be responsible and accountable for payment of municipal services.
- We will promote constant communication and engagement with our ward councilors, and/or Municipal Officials.
- We will respect our environment, property and the various laws that govern and protect us."

The establishment of the revenue agency is in progress, as part of the turn-around strategy. The legal issues relating to the process were clarified and finalized in the current financial year and it is expected that the by-law and establishment will be completed in the next financial year.

1.6 ORGANIZATIONAL DEVELOPMENT OVERVIEW

Emfuleni Local Municipality currently employs 3016 employees, who individually and collectively contribute to the achievement of the broader municipal objectives. The senior management team exists and all positions forming the team (section 56) are filled. The team is supported by staff members employed by the Municipality to deliver on municipal services and political priorities.

The Human Resources Department is well established and its primary objective is to render an effective as well as innovative HR service that addresses both skills development and administrative function.

During the year under review the Municipality conducted a successful physical staff verification process. This intervention was championed by the HR department with the support of all Clusters and Departments.

Critical Vacancies and Turnover

All vacancies at senior management level (section 56) have been filled; these include Deputy Municipal Managers: Corporate Services, Economic Development & Planning, Public Safety and Community Development, Executive Director Revenue, Chief Financial Officer, Manager Financial Control, Manager Legal Services and Manager Human Resources, Manager Park & Cemeteries, Manager Infrastructure, Manager Assets, Manager Debt Management, Head Operations Revenue, Manager Customer Care, etc.

The Municipality on a progressive basis is able to fill all vacancies through-out the structure of approved and budgeted posts. Critical vacancies in the Finance Cluster and other managerial areas were successfully filled during the 2012/13 financial year

Vacancy Rate (2012/2013):

Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
CFO	1	1	100%
Other S56 Managers (excluding Finance Posts)	7	1	17%
Fixed Term Contracts	4	0	0%
Fire fighters	195	88	45%
Senior management: DMM's Levels (excluding Finance posts)	6	0	0%
Middle management: Level 2 (Finance posts)	6	1	17%
Middle management: Level 2 (excluding Finance posts)	37	13	35%
Operational management: Level 3 (excluding Finance posts)	72	7	10%
Operational management: Level 3 (Finance posts)	14	4	29%
Highly skilled supervision: levels 4 -6 (excluding Finance posts)	559	237	42%
Highly skilled supervision: levels 4 - 6 (Finance posts)	110	71	65%
Total	1011	423	42%

Employee Turnover Rate: (2012/2013)

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
2010/11	207	242	8.6%
2011/12	259	57	2%
2012/13	330	132	4.4

Review and Maintenance of the Organogram

The Municipality procured Org-Plus software as a tool for the maintenance of its organogram. During 2012/13 a process was undertaken to review the “as is” status of the existing structure. All Clusters within the Municipality were assessed.

The intention was to ensure that staff establishment is in place which will to an extent inform the scientific structural review as required by Section 7 of Regulations on Appointment and Conditions of Employment of Senior Managers in Local Government, Gazette 36223 of March 2013.

The benefit of Org-Plus is amongst others the professionalization of the structure and reduces the chances of manipulation and assists with staff budgeting and costing of posts and eliminates chances of having unaccounted employees and to easily identify staff shortages.

Job Evaluation

Job evaluation for job levels 2 and below was completed during 11/12 financial year. The outcomes of the wage curve were not implemented during 12/13 financial year as intended due to legal proceedings at the Labour Court between Emfuleni Local Municipality together with organized local labour (appeal) on the grading of the municipality and provisional outcome report from SALGA Gauteng TASK team. Job evaluations for senior management team were under taken during 12/13 financial year. This process culminated in the design of job descriptions and grading of each position at this level.

HR Related Policies

The Municipality successfully adopted the following HR policies:

- Recruitment and Selection
- Leave
- Code of Ethics
- Staff Parking
- Night shift allowance

Change Management and Transformation Facilitation

During the year under review the following change management interventions were successfully facilitated:

- HR Pay-Day functions; the intention of this intervention was to extend the usage of the Pay-Day function and Modules to HR to ensure a smooth business process management between HR and the Pay Office. The implementation of this intervention brings about a more efficient and improved service to the work force.
- Revenue Management function; The Municipality is engaged in a process to establish a Revenue Management Agency. The intention of this intervention was to facilitate various internal stakeholders for a smooth transition towards the Agency. Various workshops were held with all stakeholders.
- The next step in the process is to develop/review the following policies:
 - Migration Policy
 - Recruitment Policy
 - Human Resource Development Strategy

Staff Training

The Work Place Skills Plan (WPSP) for 2012/13 financial year and the Training Plan were submitted to the Sector Education & Training Authority for Local Government (LGSETA) by end August in 2012. The amount spent on staff training was R21 529 718.26 which is 2.87% of the total salary budget spend of R750 810 964. A sum total of 662 training interventions were successfully facilitated. A full summary of training interventions is reflected in Chapter 4 of this report. The WSP for 2013/14 financial year was successfully submitted to the LGSETA in June 2013.

Employee Wellness Programmes

The following employee wellness interventions were facilitated:

- Employee Assistance Programme (EAP)
- HIV/AIDS testing and counseling on a monthly basis
- Debt counseling
- Financial management workshops
- Banking services for various products
- Blood donation
- Employee Wellness Day

1.7 STATUTORY ANNUAL REPORT PROCESS

NO	Activity	
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August 2013
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July 2013
3	Finalize the 4th quarter Report for previous financial year	August 2013
4	Submit draft Annual Report to Internal Audit and Auditor-General	August 2013
5	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August 2013
8	Mayor tables the unaudited Annual Report	August 2013
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to AuditorGeneral	August 2013
10	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	September 2013
11	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data	September 2013
12	Municipalities receive and start to address the Auditor-General's comments	September 2013
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	December 2013
14	Audited Annual Report is made public and representation is invited	December 2013
15	Oversight Committee assesses Annual Report	December 2013
16	Council adopts Oversight report	January 2014
17	Oversight report is made public	February 2014
18	Oversight report is submitted to relevant provincial councils	February 2014
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	February 2014

**REPORT OF THE AUDITOR-GENERAL TO GAUTENG PROVINCIAL LEGISLATURE
AND THE COUNCIL ON EMFULENI LOCAL MUNICIPALITY REPORT ON THE
FINANCIAL STATEMENTS**

Introduction

1. I have audited the financial statements of the Emfuleni Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Companies Act of South Africa, 2008 (Act No. 71 of 2008), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2001) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Emfuleni Local Municipality as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with Standards of GRAP and the requirements of the MFMA and DORA.

Emphasis of matter

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. With reference to note 36 to the financial statements, the municipality is the defendant in various court cases. The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 32 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 30 June 2013.

Material losses

10. As disclosed in note 35 to the financial statements, the municipality suffered significant water distribution losses of 29 367 251 kilolitres with a value of R169 274 580 (2012: 32 710 681 kilolitres with a value of R148 498 642). This loss represents 31.9% (2012:36.5%) of water distributed.
11. As disclosed in note 35 to the financial statements, the municipality suffered significant electricity distribution losses of 358 156 982 kilowatts with a value of R211 863 070 (2012: 366 289 279 kilowatts with a value of R184 959 535). This represents 15.6% (2012:17.%) of electricity distributed.

Material impairments

12. As disclosed in note 3 to the financial statements, material impairments to the amount of R1 816 205 912 (2012: R1 507 568 381) were incurred on trade receivables, as the recoverability of these amounts are doubtful. In total consumer debtors were impaired and provided for at R2 098 471 445 (2012:R1 799 636 595).

Additional matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedule

14. The supplementary information set out on pages ... to ... does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS PUBLIC AUDIT ACT REQUIREMENTS

15. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

16. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages ... to ... of the annual report.
17. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National *Treasury Framework for managing programme performance information* (FMMPI).

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

18. The material findings are as follows:

Usefulness of information

Reported objectives, indicators and targets not consistent

19. The Municipal Systems Act, section 41(c) requires that the integrated development plan should form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total, 21% of the reported indicators are not consistent with the indicators as per the approved integrated development plan/ service delivery and budget implementation plan. This was due to the limited review and monitoring of the completeness of reporting documents by management.
20. The Municipal Systems Act, section 41(c) requires that the actual achievements against all planned indicators and targets must be reported annually. The annual performance report submitted for audit purposes did not include the actual performance of 54% of all planned targets specified in the service delivery and budget implementation plan for the year under review. This was due to the limited review and monitoring of the completeness of reporting documents by management.

Measurability

Performance targets not specific

21. The FMPPI requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 30% of the targets were not specific in clearly

identifying the nature and the required level of performance. This was due to the fact that management was aware of the requirements of the FMPPI but were not timeous in aligning the SDBIP and the annual performance report to the framework.

Performance targets not measurable

22. The FMPPI requires that performance targets be measurable. The required performance could not be measured for a total of 21% of the targets. This was due to the fact that management was aware of the requirements of the FMPPI but were not timeous in aligning the SDBIP and the annual performance report to the framework.

Performance targets not time bound

23. The FMPPI requires that the time period or deadline for delivery be specified. A total of 30% of the targets were not time bound in specifying a time period or deadline for delivery. This was due to the fact that management was aware of the requirements of the FMPPI but chose not to apply the principles contained in the FMPPI.

Performance indicators not well defined

24. The FMPPI requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 31% of the indicators were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that management was aware of the requirements of the FMPPI but chose not to apply the principles contained therein.

Performance indicators not verifiable

25. The FMPPI requires that it must be possible to validate the processes and systems that produce the indicator. A total of 21% of the indicators were not verifiable in that valid process and systems that produce the information on actual performance did not exist. This was due to the lack of key controls in the relevant systems of verification.

Reliability of information

Reported performance not accurate

26. The FMPPI requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The information presented with respect to the provision of basic services was not reliable when compared to the source documentation and/or evidence provided. This was due to the lack of standard operating procedures for the accurate recording of actual achievements and monitoring of the completeness of source documentation in support of actual achievements.

Compliance with laws and regulations

27. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Annual financial statements

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of post- retirement benefits, other income, disclosure notes, statement of comparison of budget and actual amount and the cash flow statement identified by the auditors in the submitted financial statement were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

29. Money owing by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
30. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Internal control

31. I considered internal control relevant to my audit of the financial statements, performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

32. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with applicable laws and regulations.
33. The accounting officer did not fully utilize the oversight structures of the municipality as findings raised by internal audit and the audit committee were not fully implemented on financial and performance reporting.

Financial and performance management

34. The municipality did not have sufficient monitoring controls in place to ensure that financial and performance reports are supported by complete, relevant and accurate information. This includes the information that relates to the collection, collation, verification, storing and reporting of actual financial and performance information.
35. Management did not adequately monitor compliance with applicable laws and regulations.

Johannesburg
30 November 2013

1.9 ANNUAL REPORT OF THE AUDIT COMMITTEE: FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1.9.1 INTRODUCTION

The Chairperson of the Audit Committee has pleasure in submitting herewith the annual report for the financial year ended June 2013.

1.9.2 LEGAL FRAMEWORK GOVERNING THE AUDIT COMMITTEE

Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act number 56 of 2003 as amended) (MFMA) requires from each municipality to have an audit committee.

In terms of section 166(2)(a) of the MFMA the audit committee is an independent advisory body which must “amongst others” advise the municipal council on matters relating to-

- i. internal financial control and internal audits;
- ii. risk management; accounting policies;
- iii. the adequacy, reliability and accuracy of financial reporting and information;
- iv. performance management;
- v. effective governance;
- vi. compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- vii. performance evaluation; and
- viii. Any other issues referred to it by the municipality.

In addition sections 166(2)(b), (c), (d) and (e) require from the committee to review the annual financial statements, respond to Council on any issues raised by the Auditor-General (South Africa) in the audit report, carry out such investigations into the financial affairs of the municipality and to perform such other functions as may be prescribed by the Council.

1.9.3 GOVERNANCE OF THE COMMITTEE

All members of the Audit Committee are non-executive members and all meetings of the committee were held in accordance with the charter of the committee as approved by Council. A revised charter for the committee has been approved by Council. The Chief Audit Executive reports operationally to the Audit Committee.

The committee reports that it has complied with its responsibilities arising from section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act number 56 of 2003 as amended). This report primarily deals with the responsibilities of the committee as listed in section 166(2)(a) of the MFMA.

The members of the Audit Committee during the period under review were:

Member	Position
Ms. M.A.F. Moja	Chairperson of the Audit Committee
Mr. S. Mofokeng	Member and Chairperson of the Performance Audit Committee
Mr. H. Maritz	Member and Chairperson of the Risk Management, Anti-fraud and Anti-corruption Committee
Mr. L. Moroeng	Member and Chairperson of the Information Communication Technology Committee
Mr. P. S. Fourie	Member

1.9.4 INTERNAL CONTROL AND INTERNAL AUDITS

In evaluating the drivers of internal control using a methodology made available by the Auditor-General (South Africa) the Chief Audit Executive reported that intervention is required to design and implement appropriate internal accounting controls.

The committee is satisfied that the internal audit function has in the period under review effectively focused its available resources towards identified critical risk areas in accordance with the approved Risk Based Audit plan for 2012/2013. The committee also approved the Risk Based Audit plan for the 2013/2014 reporting period and was given the assurance that every effort will be made by the Municipal Manager to have all the resources available to properly execute the plan.

With Internal Audit follow up, the committee has noted that management has implemented an appropriate tracking system in terms of which the various action plans by management to resolve the reported issues will be tracked, managed and reported to the committee.

One-on-one discussions with the Chief Audit Executive did not reveal any matters of concern.

1.9.5 RISK MANAGEMENT

The Risk Management, Anti-Fraud and Anti-Corruption Committee as a sub-committee of the audit committee, is assisting the audit committee in addressing its oversight responsibilities with regard to the risk management

and fraud prevention processes within the municipality. The sub-committee operates within a charter as approved audit committee and a risk management framework as approved by Council. A risk management implementation plan developed and approved by the senior management team is implemented to guide the execution of the risk management framework.

From the various reports received the audit committee is satisfied that the risk management processes were adequately designed although not effectively and efficiently implemented in some respects.

1.9.6 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) in the manner required by the MFMA.

No departures from South African Standards of Generally Recognised Accounting Practice (GRAP) have been noted by the committee.

1.9.7 THE ADEQUACY, RELIABILITY AND ACCURACY OF FINANCIAL REPORTING AND INFORMATION

In all material respects the committee has no reason to doubt the reliability of the financial information presented to the finance committee of the municipality as established in terms of section 80 of the MFMA. The audit committee is of the opinion that the financial information as presented to the audit committee on 26 November 2013 was sufficiently addressing the key performance areas.

Discussions with the Municipal Manager again emphasized the critical need for enhanced revenue management initiatives in order to effectively address the cash flow challenges faced by the municipality. The municipality need to finalise the revenue management structure and capacitate it accordingly to enable increased revenue collections

One-on-one discussions with the Municipal Manager confirmed that all reports emanating from forensic and special investigations are being dealt with in strict compliance with the MFMA and good corporate governance.

No other matters of concern were reported to the committee.

1.9.8 PERFORMANCE MANAGEMENT

The Head of Strategic Management Support in the year under review implemented the council approved performance management plan. The performance audit committee during the year under review successfully monitored the implementation of the plan.

The Chief Audit Executive in the year under review reviewed the system as implemented and reported control deficiencies with regard to succession planning, the lack of system documentation and the lack of sufficient back-up procedures.

The Audit Committee noted that the municipality is in the process of procuring a Performance Management System to automate this function.

The Performance Audit Committee monitored management's evaluation of identified "external service providers" as required by section 46 of the Municipal Systems Act, 2000.

The Chief Audit Executive in terms of the MFMA/MSA regulations on a quarterly basis audited the reported performance information. All system weaknesses reported were brought to the attention of the Municipal Manager.

1.9.9 EFFECTIVE GOVERNANCE

The Council has Framework adopted the implementation of the King Report III on Governance for South Africa.

1.9.10 COMPLIANCE WITH THIS ACT, THE ANNUAL DIVISION OF REVENUE ACT AND ANY OTHER APPLICABLE LEGISLATION

The committee noted from the reports of the Chief Audit Executive that, the system to formally review and monitor compliance with applicable laws and regulations are in an advanced phase. The committee also noted that compliance in some instances is not being addressed in a timely manner. However, the Risk Management, Anti-Fraud and Anti-Corruption Committee as a sub-committee of the audit committee, is assisting the audit committee in tracking the progress by management in this regard.

The Council approved materiality framework which provides for zero tolerance for non-compliance with laws and regulations.

1.9.11 PERFORMANCE EVALUATION

The Audit Committee is satisfied that a structured process has been followed in the evaluation of the section 56 appointed managers for the reporting period ended 30 June 2011/12. The finalization of the process by the section 80 remuneration committee of Council is still outstanding.

In addition, the Performance Audit Committee is of the view that a structured process is in place for the 2012/13 interim and final evaluations of the section 56 appointed managers. Council will be furnished with appropriate progress reports.

1.9.12 ANY OTHER ISSUES REFERRED TO THE AUDIT COMMITTEE BY THE MUNICIPALITY

1.9.12.1 None.

1.9.13 REVIEW OF ANNUAL FINANCIAL STATEMENTS

The committee on 14 August 2013 and 26 November 2013 respectively noted the internal processes followed by management to prepare and approve the draft annual financial statements and the draft annual report for the reporting period ended 30 June 2013. The committee supported the submission of the draft annual financial statements and the draft annual report to the Auditor-General (South Africa) for audit purposes.

1.9.14 ISSUES RAISED BY THE AUDITOR-GENERAL (SOUTH AFRICA)

The Auditor-General (South Africa) on 26 November 2013 reported to the Audit Committee on the various quality and consistency review processes followed by the Auditor-General (South Africa) in order to arrive at an audit opinion. The Audit Committee also noted that:

The committee concurs with the issues raised by the Auditor-General (South Africa). The committee also concurs with the action plan in the annual report in terms of which management is addressing the reported issues. The committee will on a regular basis report to Council on the progress made. The committee also noted that there are no unresolved differences of opinion between the Auditor-General (South Africa) and the Municipal Manager.

With regard to the matters addressed in the management report of the Auditor-General (South Africa), the committee has noted that management has implemented an appropriate tracking system in terms of which the various action plans by management to resolve the reported issues will be tracked, managed and reported to the committee.

One-on-one discussions with the Auditor-General (South Africa) did not reveal any matters of concern.

1.9.15 INVESTIGATIONS REQUESTED BY COUNCIL

1.9.15.1 None.

1.9.16 INTERACTION WITH MPAC

The chairperson has previously conveyed to MPAC the processes followed by the audit committee with regard to the evaluation of the annual report. The MPAC was also briefed on the tracking system implemented by the Chief Audit Executive for purposes of tracking progress on the resolution of audit findings reported by the Chief Audit Executive and the Auditor-General (South Africa).

1.9.17 ONE-ON-ONE DISCUSSION WITH THE EXECUTIVE MAYOR

One-on-one discussions with the Executive Mayor did not reveal any matters of concern.

1.9.18 APPRECIATION

In conclusion the committee expresses its appreciation towards the Municipal Manager and all other role players for the constructive meetings the Audit Committee had. One-on-one discussions between the members of the Audit Committee also did not reveal any matters of concern.

Chairperson of the Audit Committee
M.A.F. Moja
24 January 2014

CHAPTER 2 GOVERNANCE

2.1 INTRODUCTION

Good governance is the cornerstone for building and maintaining sustainable and responsive Local Government. In keeping with the “Objectives of Local Government” in the Constitution, the municipality has the vision of becoming “A developmental City that continuously improves the quality of life of its community” through effective and efficient carrying out of its functions and services to its communities and stakeholders. This is a collaborative effort of both the Political and Administrative Leadership of the municipality and key to the achievement of Good Governance.

Administration governance in the Municipality focuses on seven (7) areas, namely Risk Management, ICT Governance, Integrated Development Plan, Performance Management, Monitoring and Evaluation, Inter-governmental Relations.

To ensure political governance, the Executive Council appoints 11 of its members, including the Executive Mayor, to serve on the Executive Mayoral Committee. Each member of the Mayoral Committee heads a portfolio committee in terms of Section 80 of the Municipal Systems Act of 1998. The Executive Committee members are members from the ruling party, which appoints the Executive Mayor and the Speaker of Council. The Speaker acts as Chairperson of Council whereas the Chief Whip is the chairperson of all parties in Council.

The Municipality’s commitment to effective governance is promoted by the establishment of functional Section 80 and 79 committees. These are the committees of the Mayoral Committee and Council, respectively. Other committees such as ICT governance, Risk Management, Anti-fraud and Corruption; and Inter-governmental Relations are management committees which also form the basis for instilling a good corporate governance culture.

The Internal Audit plays a fundamental role in the institutionalization of good corporate governance by ensuring that there are effective controls in place to ensure that the municipality has reasonable chance of achieving its objectives.

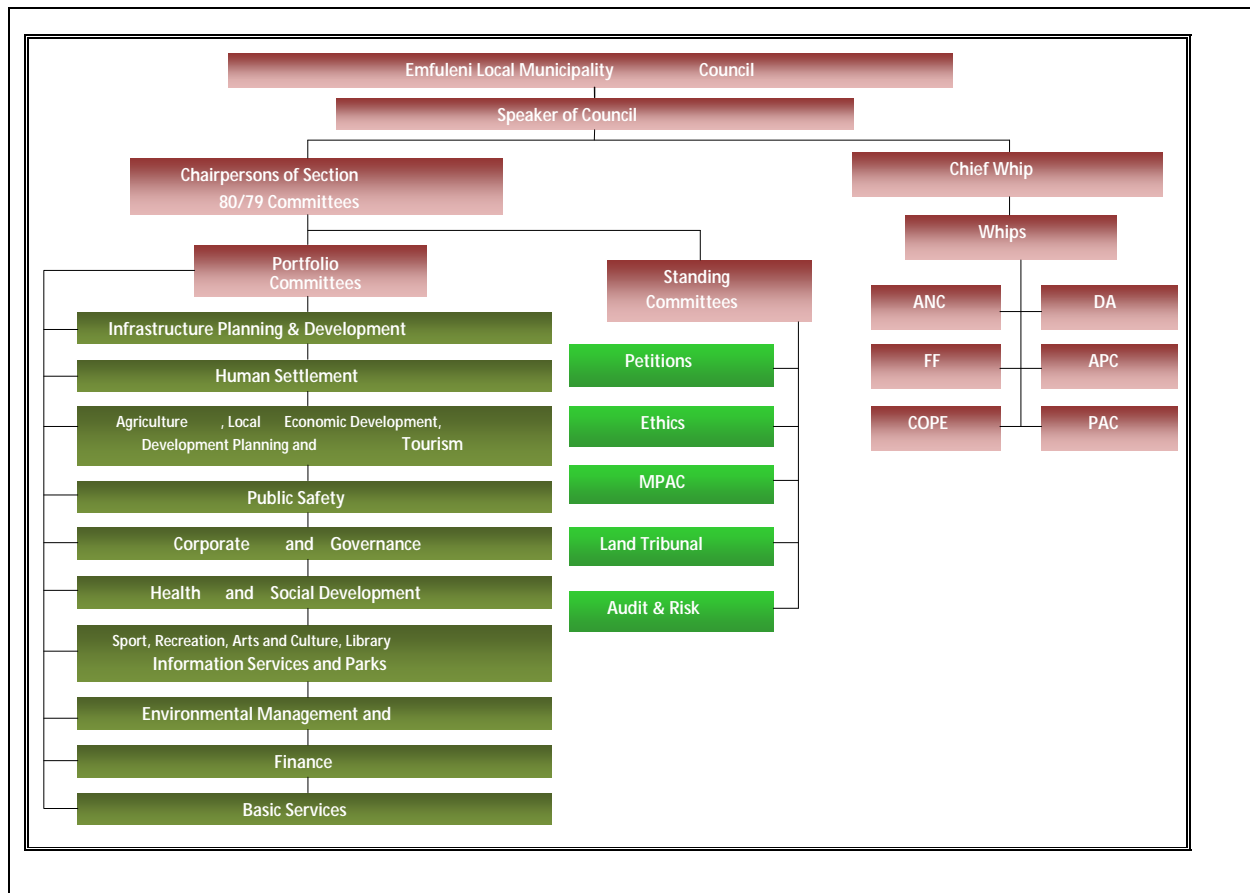
ELM has developed and adopted a legal compliance framework which is informed by the principles found in King III Report.

2.2 POLITICAL GOVERNANCE

2.2.1 Council Composition

The Municipal Council comprises 89 Councillors classified as Party Representatives (PR) and Elected or Ward Councillors. Parties represented in the Council comprise of the African National Congress, the Democratic Alliance, Congress of the People, the African National Convention, the Freedom Front and the Pan African Congress.

The diagram below represents all Council Committees:



The following table depicts the composition of Council per seat, ward and gender:

Party	Ward Seats	PR Seats	Gender		Total number of Seats
			Male	Female	
African National Congress	36	28	36	28	64
Democratic Alliance	9	12	12	9	21
Congress of the People	0	1	1	0	1
African People's Convention	0	1	1	0	1
Freedom Front	0	1	1	0	1
Pan African Congress	0	1	1	0	1
TOTAL	45	44	52	37	89

The table above shows the African National Congress having most of the seats (71.9%) in the Council, followed by the Democratic Alliance (23.5%) and other parties (4.6%). The distribution of Gender is slightly balanced with 42% male representation in the ANC and female representation being 31%. The DA gender representation is also slightly balanced with 13% being males and 10% of Councillors being females.

2.2.2 Council Functions

The key role of Council is to ensure legislative compliance, participatory and oversight roles. Council has delegated its executive functions to the Executive Mayor and the Mayoral Committee. As defined in section 152 (1) of the Constitution of the Republic of South Africa the following are the objectives of Local Government:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To encourage the involvement of communities and community organization in matters of local government;
- The Council of Emfuleni Local Municipality approves all delegations, policies, by-laws, tariffs and services charges, Integrated Development Plans and Budget. The Council has an oversight function, it reviews and approves reports submitted by the Mayoral Committee.

Council and Mayoral Committee Meetings as at June 2013:

Committee	Meetings	Resolutions Passed		Meetings	Number of Resolutions Passed
Council	15	164		16	176
Mayoral Committee	32	61		40	247
TOTAL	47	225		56	423

During the year under review Council held sixteen (16) meetings. During these meetings 164 resolutions were passed. Forty (40) Mayoral Committee meetings were also held and in those, sixty one (61) resolutions were passed.

2.3 OVERSIGHT COMMITTEES

The oversight committees are established in terms of Sections 79 of the Municipal Structures Act of 1998, to monitor and promote good governance and ensure a more accountable Municipality.

2.3.1 Section 79 Committees

The following oversight committees have been established in terms of Section 79 of the Municipal Structures Act to support Council in discharging its legislative mandate:

Section 79 Committee	Chairperson	Number of meetings held
Audit Committee	Ms MFA Moja	13
MPAC Committee	Cllr BP Maseko	11
Ethics Committee	Cllr MP Gqelosha	04
Land Tribunal	Cllr SL Ngubane	28
Petitions Committee	Cllr NP Matsei	27
	Total	83

Audit Committee

ELM has established an audit committee in terms of section 166 of the MFMA. This committee is an independent advisory body which advises the Council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to:

- internal financial control and internal audits;
- risk management;
- accounting policies;
- reporting and information;
- performance management and effective governance;
- review of the annual financial statements to provide Council with an authoritative and credible view of the financial position of the Municipality; its efficiency, effectiveness and its level of compliance with the legislation;
- issues raised by Auditor-General in the audit report;
- compliance with the MFMA, DORA, and other Local Government Legislation; and
- any other functions as may be prescribed by Council.

Municipal Public Accounts Committee (MPAC)

The MPAC is a committee of Council appointed in accordance with section 79 of the Municipal Structures Act. Functions of MPAC are in accordance with the provisions of section 59 of the Local Government: Municipal Systems Act, 2000.

The oversight role of the Municipal Public Accounts Committee includes the consideration of:

- The financial statements and activities of the municipality;
- Any audit reports issued on those statements and activities;
- Any reports issued by the Auditor-General on the affairs of the Municipality;
- Any other financial statements or reports referred to the Committee by council or the Auditor-General;

- Advising the council on the matter of internal control including financial statements, financial systems integrity and risk management; and
- Advising Council on actions to be taken on any matter referred to it by either council or the auditor-general.

Number of Meetings held	Strategic Session	Training	Oversight Report
14	01	02	2011/2012 Annual Report was approved without reservations

Land Tribunal

The Land Tribunal Committee was established in terms of the Gauteng Removal of Restrictive Condition Act 3 of 1996. This committee considers and decides on the development proposals as contained in development applications lodged with the Municipality. Proposals may range from the removal of restrictive conditions of titles as listed in several title deeds to rezoning of parcels of land, applications proposals on land development not in line with development policies such as the SDF.

The bulk of lodged applications are approved under the delegated authority as approved by the Council. For the reporting year, twenty four (24) Land Tribunal hearings were held of which 23 were completed. No appeals were referred to the Gauteng Townships Board.

Ethics Committee

The Ethics Committee was established by Council to ensure compliance with the Code of Conduct as set out in Schedule 1 of the Local Government: Municipal Systems Act 32 of 2000 as amended. The Code provides that a Municipal Council may establish a special committee to investigate and make a finding on any alleged breach of the Code and make appropriate recommendations to the Municipal Council. Four (4) meetings were held.

A Petitions Management Committee has been put in place to manage and process petitions from the public through a unit called the Petitions and Ethics Unit. The Committee records and acknowledges the petitions received and it refers these petitions to the relevant departments for attention and execution. The Petitions Committee consists of 12 members who are members of different political parties within Council.

The table below reflects petitions received and resolved as at June 2013:

Petitions Received	Resolved	Partially Resolved	Outstanding	%Resolved	% Outstanding
78	05	36	37	0.06%	47%

2.3.2 Section 80 Committees

The following oversight committees were established in terms of Section 80 of the Municipal Structures Act to support Council in discharging its executive mandate:

Sectional Heads	Portfolio	Number Of Meetings Held
Cllr. KS Ntombela	Corporate Services	9
Cllr. MT Ronyuza	Finance	13
Cllr. ML Kubheka	Housing	9
Cllr. KJM Ranake	Health and Social Development	4
Cllr. NR Thulo	Infrastructure, Electricity, Water and Sanitation	9
Cllr. K Malindi	Local Economic Development	8
Cllr. WV Mcera	Public Safety	5
Cllr. SE Pitso	Roads and Public Transport	2
Cllr. SJ Radebe	Sports, Recreation , Arts and Culture	3
Cllr. VM Godoli	Waste Management	4
	Total	66

2.3.3 Other Committees in the Municipality

COMMITTEE	ROLES/RESPONSIBILITIES	CHAIRPERSON	Meetings
IDP and Budget Steering Committee	Consider the draft IDP document and Process Plan and refer them to the Mayoral Committee and Council.	Councillor N G Hlongwane	7
Performance Audit Committee	Provide oversight role on all performance Systems; Policies and Procedures; and outcomes of quarterly assessment and appraisals.	Mr S Mofokeng	5
Remuneration Committee	Consider the salary scales of Section 56 and 57 employees and all other contracted employees who do not fall under SALGA Bargaining Council.	Councillor K Ntombela	4
Risk Management, Anti-Fraud and Anti-Corruption Committee	Review effective functioning of Risk Management Systems and ensure that the institution's risks are properly identified and well managed.	Mr H Maritz	4

COMMITTEE	ROLES/RESPONSIBILITIES	CHAIRPERSON	Meetings
IT Governance Steering Committee	Review effective function of IT systems and controls	Mr L Moroeng	2

2.4 MUNICIPAL PERSPECTIVE ON KING III RECOMMENDATIONS

During the year under review the Municipality conducted an assessment of compliance to King III Framework on good corporate governance. The assessment report was submitted to Council for approval as a standard measurement tool with regard to Emfuleni Local Municipality's adherence to the code of good corporate governance.

The table below summarizes an assessment conducted by the Municipality on practices of good corporate governance in line with the King III framework.

Focus Area	King III Recommendations	ELM's Compliance
Leadership and Council	The board should provide effective leadership based on an ethical foundation. The board/ethical leaders should do business ethically taking into account the company's impact on internal and external stakeholders; and ensure that all deliberations, decisions and actions are based on the four values underpinning good governance, namely, responsibility, accountability, fairness and transparency	Schedule 5 of Municipal Structures Act and Schedule 1 and 2 of Municipal Systems Act provide a code of conduct for Councillors and Staff. A system is in place to ensure adherence to these Acts.
Government Stakeholder Relations	Stakeholders' relationships provide a platform for the Council to take into account the concerns and views of residents and other business groups in the Municipality areas in their decision making.	IDP and Budget, Office of the Speaker and Executive Mayor oversee the functionality of processes and mechanisms supporting the stakeholder participation and community involvements.
IT Governance	IT is an integral part of doing business today and is fundamental to supporting sustainability and growth of the organization.	Chief Information Officer has been appointed. IT Governance Steering Committee is in place. Governance framework is a guideline.
Integrated Reporting	Annual report must be prepared annually, audited and verified.	Annual Report (AR) is equivalent to integrated reporting. Financials and Non-Financials are captured in the AR. Audit internally and

Focus Area	King III Recommendations	ELM's Compliance
Audit Committee	The organization should have a fully functioning independent audit committee.	externally. Audit and Performance Audit Committee fully functional and meet all recommendation.
Internal Audit and Government of risk	Internal audit is required to provide an assessment of risk and opportunities. Follow a risk based approach.	Audit plan in place, IA also report PaC, Risk Management Framework, assessment and registers in place. Risk response and monitoring done continuously. Risk Assurance – A combined assurance model has been developed and is awaiting Council approval
Legal compliance, code and standard	Sound organization adheres to strong ethical laws that are identified and understood. Legal compliance policy required.	A legal compliance register is in the process of being approved by Council.

2.5 ADMINISTRATIVE GOVERNANCE

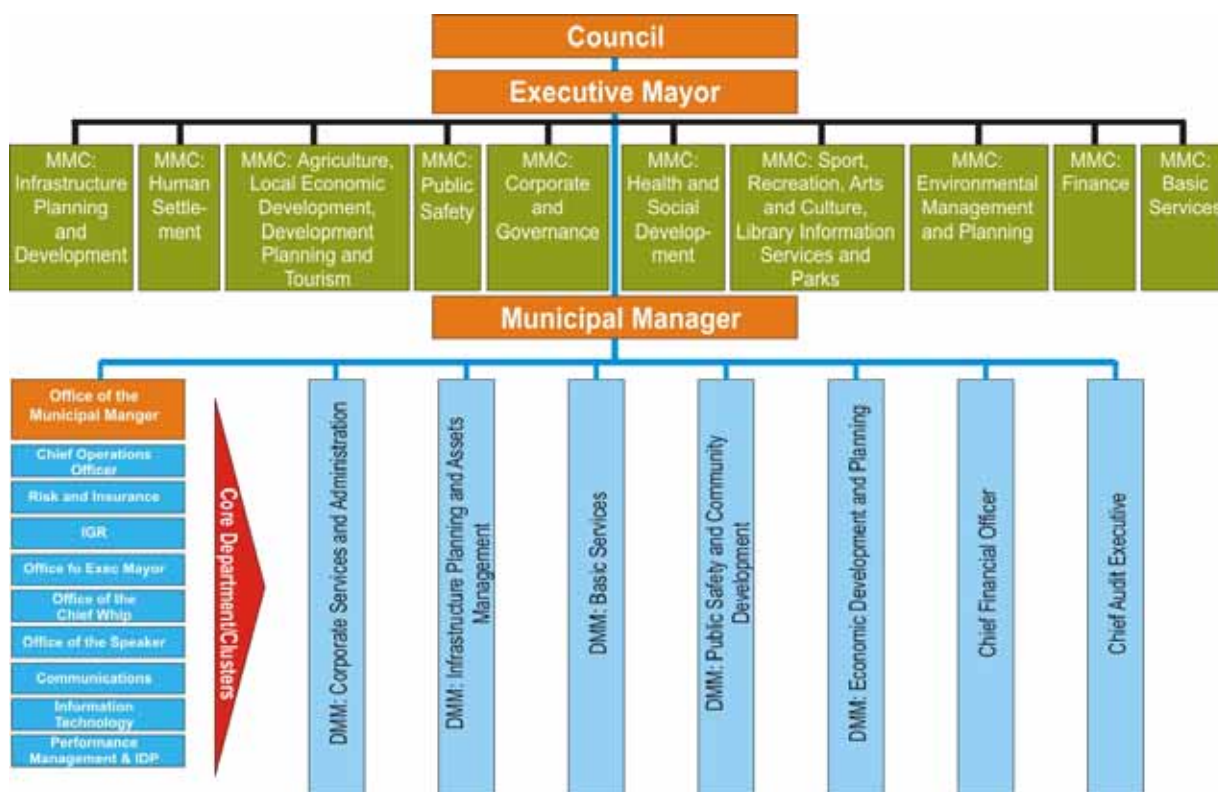
The Municipal Manager through management implements decisions of Council and, where so delegated, also the decisions of the Executive Mayor or the Mayoral Committee. The Municipal administration is led by the Municipal Manager who in turn is supported by a team of 5 Deputy Municipal Managers, Chief Financial Officer, Chief Operations Officer, Chief Audit Executive, Chief Risk Officer, Executive Director: Revenue, Chief Information Officer and Head: Strategic Support Services.

The Senior Management Team who assists the Municipal Manager (section 56) comprises a total of 12 professionals who are in charge of day-to-day operations and crafting strategic direction of the Municipality as well as providing guidance to the political structures, political office bearers and officials of Emfuleni Local Municipality.

Emfuleni Local Municipality administrative governance is divided into eight clusters for efficient and focused administrative service delivery. The clusters are as follows:

- Office of the Municipal Manager
- Corporate Services Economic Development, Development Planning and Housing Public Safety and Community Development
- Financial Services
- Infrastructure Planning and Assets Management
- Basic Services
- Internal Audit

The structure below shows the Council and Administrative Governance Structure within Emfuleni Local Municipality:



Furthermore, the Senior Management Team is responsible for compliance, policy and strategic reports for Council approval. Sitzings of meetings are conducted weekly; whereas bi-weekly an extended senior management team is held to discuss reports that are recommended to Mayoral Committee and Council for approval. The extended senior management team is made up of senior management from different departments in order to make an informed decision based on a collective input by various structures of the institution.

The table below indicates the number of Senior Management Meeting held as well as Extended Senior Management Meeting held during the year under review:

MONTH	SENIOR MANAGEMENT TEAM			EXTENDED SENIOR MANAGEMENT TEAM			TOTAL		
	No. of meetings	Reports submitted	Reports forwarded	No. of meetings	Reports submitted	Reports forwarded	No. of meetings	Reports submitted	Reports forwarded
July 2012	3	15	11	2	33	16	5	48	27
August 2012	3	16	3	1	7	3	4	23	6
September 2012	2	5	3	2	48	26	4	53	29
October 2012	2	11	2	3	67	30	5	78	32
November 2012	3	21	5	2	43	17	5	64	22
December 2012	2	34	2	1	36	5	3	70	7
January 2013	2	7	7	2	12	11	4	19	18
February 2013	2	5	1	2	15	8	4	20	9
March 2013	3	11	2	4	60	30	7	71	32
April 2013	2	3	1	5	89	20	7	92	21
May 2013	2	8	8	2	36	25	4	44	33
June 2013	1	2	0	2	38	20	3	40	20
TOTAL	27	138	45	28	484	211	55	622	256

From the table above a total of 55 meetings were held in the year under review for both senior and extended senior management meetings. Out of 622 reports submitted, a total of 256 were recommended to Council for approval or noting.

2.6 INTER-GOVERNMENTAL RELATIONS

The Municipality is co-operating with various departments at national, provincial and district levels, including the Chapter Nine institutions established in terms of the Constitution, particularly the South African Human Rights Commission and the Public Protector. The Municipality attended 10 Provincial Departmental meetings known as MEC-MMC which are chaired by the relevant MECs. Two meetings are held per quarter per Department. Over and above these IGR structures the Municipality attends the Gauteng IGR practitioner's forum, SALGA forum, Executive Mayors' Forum, Municipal Managers' Forum, CFO's Forum's and the Regional Forum.

2.6.1 Provincial and Regional Inter-governmental Relations Initiatives

Through the IGR structures the following is reported:

- Sectorial projects were undertaken followed by joint planning, implementation and monitoring between the Gauteng Department of Housing and Local Government and the Municipality. For the year 2012/2013 the Department of Housing and the Municipality have built 4 369 (four thousand three hundred and sixty nine) RDP houses and renovated Hostels;
- Eight meetings were attended by the municipality with the Gauteng Department of Agriculture and Rural Development (GDARD), Gauteng Social Development and Department of Economic Development. The Emfuleni Local Municipality was represented at these meetings by Inter-governmental Relations Department, Local Economic Development Department, Environmental Management, Environmental Health Services Department and the Rural Desk from the Office of the Executive Mayor.

During the financial year 2012/2013 the following projects were achieved in collaboration with the above-mentioned Provincial Departments:

- Protocol agreement signed in July 2012 between GDARD and the Municipality whereby the parties agreed to co-operate to achieve a common mission and vision to deliver an integrated agricultural, environmental, veterinary, natural resource management and nature conservation services;
- Mechanisation Programme/Project undertaken with the Municipality whereby GDARD provided the Municipality with three (3) tractors and twenty one (21) apparatus to assist the farming community with the necessary tools when undertaking their farming;
- Established homestead food gardens and community gardens (including at schools). This is an on-going project whose intention is to create employment and alleviate poverty.

Included in this initiative are the Mayoral Services delivery projects, the Wetland rehabilitation of Zone 3 Sebokeng and Boipatong.

- Funding for some of the projects was received from GDARD, DED, Social Development, SANBI&Arcelor Mittal.

- The key mandate of SALGA is to represent organized Local Government in inter-governmental relations forum. As part of this strategic objective SALGA ensures that organized Local Government's autonomy, integrity and status are protected and this is done by deliberating on key policy and legislative issues impacting on Local Government. In aligning itself with the objectives and support rendered by SALGA, the municipality attended (2) SALGA Provincial Working Group meetings on Governance IGR and Council Support;

During this financial year municipalities were given the opportunity to comment on various Bills and Legislation such as Gauteng Planning Development Bill, Public Administration Bill, Licensing Bill, Restitution of Land Rights Amended Bill, Gauteng Funeral Industry Regulation Bill. On the 18th of June 2013 in the NCOP's Land and Environment Affairs Committee, seven of the nine provinces, Gauteng Province amongst them, voted in favour of the promulgation of the Spatial Planning and Land Use Management Bill. Other issues of interest discussed at the meetings were the revision of the Local Government Anti-Corruption Strategy by Minister of COGTA, the Special Risks Insurance for Councillors which is part of their upper limits and its approval by the MEC, mechanism to improve public participation in addition to the ward committees and in this regard SALGA has established guidelines to enhance public participation.

- Sedibeng District Aids Council and Emfuleni Local Aids Council form a forum that meets once in a quarter. The stakeholders are LG, DoH, DoE, DoSD, SASSA, GDARD, SARS, Correctional Services, DoJ, Public Safety, South African Police Services and Institutions of Higher Learning. The forum provides oversight role in all matters relating to HIV/AIDS. It provides an enabling environment for effective sector participation, advocates and lobbies for reduction and ultimate eradication of stigma and discrimination, it develops, adopts, and implements M&E; reviews AIDS multi-sectoral Strategic plan; and finally, it co-ordinates the multi-sectoral response at local ward level.
- Sedibeng District Health Council. MMC for Health SDM, MMC for Health in each local municipality, ED Health & SD SDM, Managers Health & SD in 3 municipalities, CEOs of Hospitals, Director Health GPG, Director SD GPG Promote co-operative governance Ensure coordinated planning, budgeting, provision & monitoring of Health and Social services
- Sedibeng and Emfuleni ECD forums. The forum meets once per quarter. SDM & ELM Department of Health & SD, GPG Health, GPGSD, Crèche Owners, NGOs and CBOs, Sector departments, Hollard Foundation Improve access and remove barriers to ECD services Capacity development Improve

budgeting for ECD interventions & reduce disparities Conduct research, document good ECD practices, and share lessons on innovative ECD programs;

- Sedibeng Social Development IGR forum. The forum meets once per month. The stakeholders are Sedibeng District Municipality and its three locals, 4MMCs, GPG Health, GPG SD, GPG Education, GDARD, SASSA, SAPS, PS, NGOs, CBOs, Home Affairs, Department of Justice, DoL, CDWs, SARS and LED. The forum co-ordinates planning, budget and implementation of social development strategic thrusts in the reg. The Municipality views the involvement of the Public Protector in the complaints raised by the community not as a threat to the running of its business but as a vehicle which assist it to do introspection and to focus on the needs, complaints raised by its community, where possible. During this financial year fourteen (14) complaints were received from the Public Protector and were ranging between delay on provision of RDP Houses, issuing of the Title Deeds, Lack of Service Delivery and Irregularities of awarding of tenders and corrupt officials. Most of the complaints were addressed with a few that needs a follow up. In collaboration with the Department of Housing and Local Government plans have been made to communicate the processes of the involved for people to qualify and receive RDP houses. This includes the Title Deeds issues. Problems identified are the lack of dissemination of information to the public.

The public protector as the IGR support structure

The Municipality views the involvement of the Public Protector in the complaints raised by the community not as a threat to the running of its business but as a vehicle which assist it to do introspection and to focus on the needs and complaints raised by its community.

During this financial year fourteen (14) complaints were received from the Public Protector and were ranging between delay on provision of RDP Houses, issuing of the Title Deeds, Lack of Service Delivery and Irregularities of awarding of tenders and corrupt officials. The major problems identified are the lack of dissemination of information to the public.

South African Human Rights Commission and the Department of Justice as IGR as support structures

In so far as the Promotion of Access to Information is concerned, seven (7) requests for information were received and five (5) of the requests were attended within the prescribed time limits, one (1) partially attended and rolled over to the next financial year and the last one required further clarification from the requester. One internal appeal was received but the appeal was rejected on the grounds that the applicant was given the necessary information but failed to respond. No further action was taken and the matter was settled between the municipality and the party concerned.

Section 32 report was submitted to the South African Human Rights Commission in line with their financial year ending in April 2013 after the end of the financial year in March 2013.

Working with the Department of Justice and Constitutional Development on compliance concerning Promotion of Access to Information Act. The department was active in running workshops organized by the municipality on the subject matter.

2.6.2 International Relations Forums

During October 2012, a high profile delegation of the Chinese women visited the Emfuleni Local Municipality. The purpose of the visit was to learn from South African women on their emancipation and how they overcame some of the challenges that are facing women globally. Furthermore, they wanted to learn more about women representation in government structures, politically and administratively. Much interest was also shown on the Equity Court. Notwithstanding the fact that the visits were on women issues, an interest was shown on orphans and abandoned children.

Another visit by the Chinese was on investment opportunities within Emfuleni Local Municipality and their delegation was headed by the Bureau of Mass Work, State Assets and Supervision, a designation equivalent to a Director-General. In return the municipality visited the Ningbo City Administration Bureau of Foreign Affairs with the purpose of marketing and show casing the municipality, to see first-hand what China has to offer and further exchange and establish the possibilities of future collaborations.

Countries which the Municipality visited were New Zealand, Germany, Spain and Dubai and the purpose of the visits were learn best practices and benchmark by taking logistic hub study tour; control room study tour and metro smart city study, respectively. Furthermore, some visits by the Chinese were the benchmarking exercise and information sharing on water and environmental matters.

Emfuleni Local Municipality and Eindhoven Municipality

The Municipality has had a long twinning relationship with the Eindhoven Municipality, however, the relationship had to come to an end, nonetheless both parties have learned and shared good experiences from each other.

Two major programmes were undertaken during this financial year. The first was the PSV Eindhoven Coaching and Training Clinics which were held in the Sedibeng District Region. The programme was a partnership between Emfuleni Local Municipality, Kaizer Chiefs, Eindhoven Municipality in the Netherlands, PSV Eindhoven FC, Royal Netherlands Football Association and Youth Coaches from PSV Eindhoven. The games were played among the following football - Kaizer Chiefs; PSV; Mhlooli FC and Nale Academy at the George Thabe Stadium.

Again, during the two week period, coaching clinics were conducted at Saul Tsotetsi Sports Complex in Zone 14, Sebokeng. The coaching clinics focused on the under 17 as part of the two municipalities' soccer development programmes. Furthermore, technical trainings were also conducted. About 35 youth coaches and 45 junior players received training. The games mentioned above were covered by KC TV.

Furthermore, Eindhoven Municipality organized the training of officials from LED on Local Government Economic Development and offered to assist with the drafting of the LED Strategy.

2.7 PUBLIC ACCOUNTABILITY AND PARTICIPATION

Participation by the local community in the affairs of the municipality takes place through political structures for participation in terms of the Municipal Structures Act 117 of 1998 (such as ward committees). Further, there should be mechanisms, processes and procedures for participation in municipal governance established both in terms of the Act and by the Municipality.

To this end, the Speaker of Council plays an important role in coordinating public participation. Public participation in the Municipality is coordinated through the ward committee, petitions committee, public hearings, and IDP and Budget public participation meetings, Mayoral Izimbizo and People's Assembly and a Revenue Summit. These forums are also utilized as report back platforms on service delivery matters.

Ward Committees

Ward committees serve as a vehicle for the Municipality to engage its local communities on their needs. In deepening and broadening the participative governance, the Municipality approved the Public Participation and Petitions policies.

The policy requires Ward Councillors to have one public meeting per month. Out of the 43 ward committees that were elected after the 2011 elections, 42 ward committees are fully functional with the exception of 1. A total of 504 ward committee meetings were held during the year under review. All the members of the ward committees went through an induction training and capacity building process on roles and responsibilities according to the different portfolios.

IDP and Budget Public Participation

The Municipality moved further to conduct Budget/IDP public meetings which is a programme where communities are in a dialogue with the Municipality and its political leadership. The drafting of the Integrated Development Plan, including its consideration and adoption of the budget is done in consultation with the local communities on its development needs and priorities. For the year under review, ELM had conducted 14 consultative public participation meetings.

Developmental needs of the communities are summarized as follows:

- Upgrading of clinics;
- Tarring of roads;
- Fixing of sewer spillage/blockage;
- Maintenance of high mast lights/public lighting;
- Maintenance of Infrastructure;
- Development and upgrading of recreational facilities;
- Provision of houses;
- Unemployment.

All these issues were deliberated at a cluster level and find expression in the IDP and Service Delivery Budget Implementation Plan.

Other public meetings

- Masakhane Campaign is an ongoing intervention spearheaded by the Executive Mayor to encourage communities to pay their rates and taxes and other Municipal services.
- State of the Municipality Address for Emfuleni Local Municipality was held in May 2013 at Vanderbijlpark Municipal premises to present the budget and the IDP of the Municipality.
- Municipal Demarcation Board (MDB) Public Participation meeting was held in April 2012 to brief the community with regard to the establishment of a Metro in the Sedibeng area. Five outreach programmes were facilitated by MDB and submission were collated and submitted.

Notices

The notices of the meeting are placed in two local newspapers fourteen days prior to the meetings in terms of the requirements of Section 29 of the Municipal System Act. Members of the community are informed through loud hailing and distribution of flyers. The Speaker's Office in collaboration with the IDP office is responsible for the coordination of public participation as required by the Municipal System Act. Public participation meetings are held to afford the community the opportunity to consider the draft budget and Integrated Development Plan (IDP) before adoption by the Council.

2.8 RISK MANAGEMENT

The Municipality recognizes Enterprise Risk Management (ERM) as an integral part of sound organizational management. The role of Risk Management is to provide a comprehensive support for institutionalizing Risk Management. This includes coaching management on principles and practices of ERM and coordinating efforts in determining the Municipality's risk exposure.

The implementation of risk management achieved the following successes:

- A functional Risk Management, Anti-fraud and Anti-Corruption Committee chaired by an external member (RMAAC). The RMAAC had 4 meetings for the period.
- RMAAC approved Risk Management Implementation Plan, and in the process managed to:
 - Conduc Senior Management risk awareness in November 2012;
 - Approve Enterprise Risk Management Policy in December 2012;
 - Revise Enterprise Risk Management Framework and get it approved in December 2012
 - Develop Risk Management Key Performance Indicators for the Risk Management and User Departments;
 - Increase number of departmental risk champions to 44;
- Nomination of members of the Fraud prevention and loss control Committee;
- Five (5) Annual Risk Assessment workshops were conducted for the period; and

- Risk Based Internal Audit Plan was developed and aligned to high risk areas of the municipality.

The Risk Management Department has attained improved levels of management interactions through the Risk Assessment Processes undertaken in the development of Organisational Risk Registers. The Risk Profile of the municipality is tabled at the Risk Management, Anti-fraud and Anti-corruption quarterly through the reporting on key risks by Cluster heads.

The risk assessment was conducted for 22 out of 36 departments, making for 61% coverage (80% in 2011/12), whereby departmental operations and KPI's for the period 2012/13 were examined in order to identify the risks faced by the municipality in order to determine appropriate mitigation actions to manage such risks and thereby enhance the municipality's ability to reach its service delivery objectives.

There was an improvement experienced in terms of the overall performance of risk mitigation for the period, however, Risk Management within the Municipality is still gaining momentum and the intensive risk awareness and training programmes planned for the 2013/14 period will ensure a significant improvement in this area. The long term effect will be the improved institutional controls and less operational surprises.

Graphical Representation of Risk Assessment Results

Chart A: Strategic Risk Magnitude

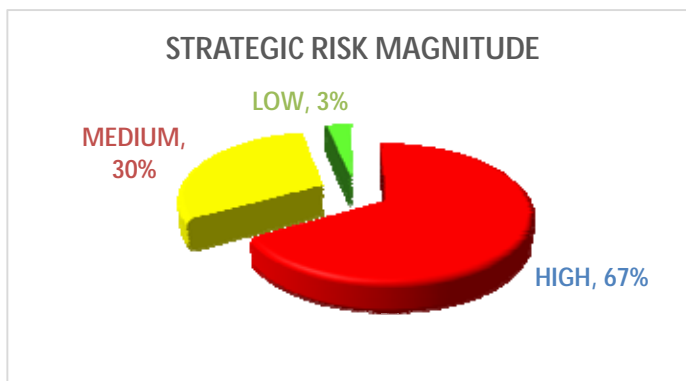


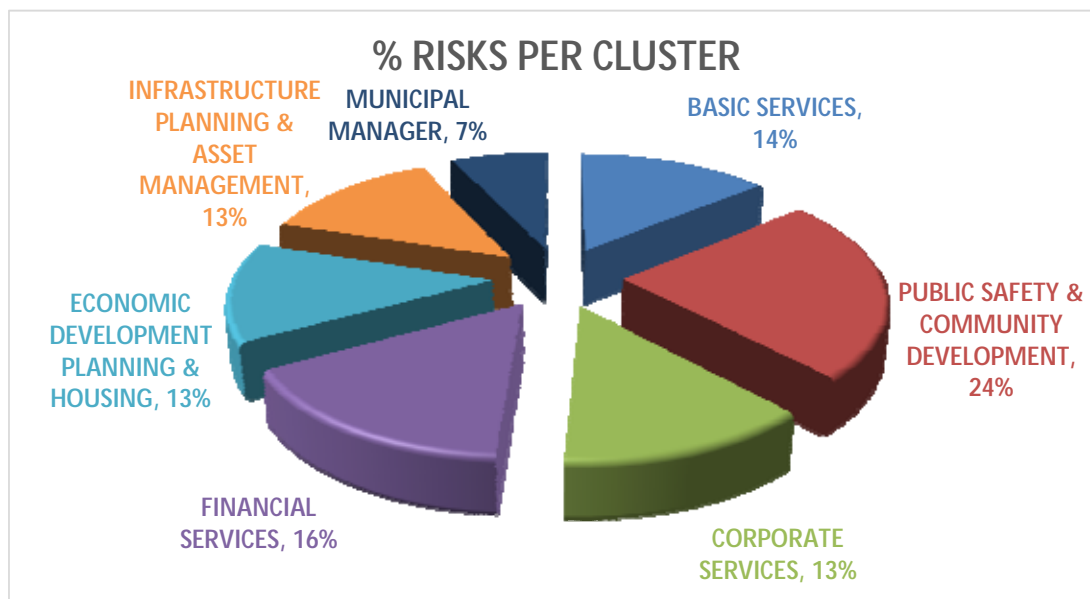
Chart A shows that Strategic Risks are made up of 67% High risks (89% in 2011/12), 30% Medium risks (11% in 2011/12), and 3% Low risks (0% in 2011/12). Strategic risks are those risks that are faced by the municipality in its attempt to reach its Strategic objectives as set out in the the IDP which is the long term plan of the Institution.

Chart B: Overall Institutional (Cluster) Risk Magnitude



Chart B indicates the overall Institutional risks identified by the departments at Cluster level with 378 risks identified (345 in 2011/12). High risks make up 53% (58% in 2011/12), medium risks 32% (28% in 2011/12) and low risks at 15% (4% in 2011/12).

Chart C: Risks Identified Per Cluster



The risks identified in each cluster have been summarized in terms of "Chart C" above, with Public Safety and Community Development having identified the majority of the risks at 24% (26% in 2011/12) of the total 378 risks identified (345 in 2011/12).

In summary the performance outcomes of the departments on risk mitigation were as follows:

Comparative periods	Residual Risk Magnitude	Residual Risk Magnitude
	2011/12	2012/13
Strategic Risks Identified	High- 89% Medium- 11% Low- 0%	High- 67% Medium- 30% Low- 3%
Operational Risks (Overall)	High- 58% Medium- 28% Low- 14%	High- 53% Medium- 32% Low- 15%
Basic Services	High- 76% Medium- 20% Low- 5%	High- 69% Medium- 19% Low- 12%
Public Safety and Community Development	High- 41% Medium- 35% Low-24%	High- 42% Medium- 36% Low-22%
Economic Development Planning and Housing	High- 72% Medium- 11% Low- 17%	High- 56% Medium- 28% Low- 16%
Infrastructure Planning and Asset Management	High- 28% Medium- 65% Low-7%	High- 28% Medium- 65% Low-7%
Corporate Support Services	High- 67% Medium- 11% Low- 22%	High- 61% Medium- 18% Low- 21%
Financial Services	High- 73% Medium- 21% Low- 6%	High- 72% Medium- 23% Low- 5%
Municipal Manager and Political Office (IT)	High- 50% Medium- 55% Low- 0%	High- 42% Medium- 39% Low- 19%

The table above indicates that the risk mitigation performance of Clusters for the period resulted in a slight decline from high, medium to low risks, also bearing in mind that new risks were identified during the period. This decline emanates from improvements made in the setting up control/ mitigation measures and in the effective control of those mitigation measures already put into place.

The Risk Management Maturity result for the period 2011/12 is a score of 3.6 owing to among other factors, the following:

- An approved Risk Management Policy that was not in place; and not communicated to all officials of the municipality;

- The Risk Management Strategy that did not address the capacity needs of the Risk Function (a departmental Organogram has been developed and undergone a review for Organizational Design by the Organizational Development department);
- Risk Management success factors that were not put into place (partly achieved through the appointment of Risk Champions and development of departmental KPI' for Risk Management accountability);
- Training and orientation of all new officials responsible for risk management functions that was not in place;
- The Risk Management Support Function that was not appropriately staffed;
- There was no appropriate budget for line function to perform on Risk Management matters (there is an approved Risk Management department budget for 2012/13);
- Performance indicators that were not developed to assess the value add of risk management (KPI's developed for the Risk Management department);
- Risk Management practices that did not develop into more sophisticated measures for risk identification (Risk workshops are still the main technique for risk identification);
- Risk tolerance levels for departments and clusters that have not been developed;
- A library of risk incidents that was not in place; and
- Risk Management that has not yet contributed to overall performance of the municipality due to its management risk maturity.

The risk maturity level of the municipality is indicated by the level of knowledge and technical capacity of staff members, especially first Line managers who are custodians of operational Risks on a day-to-day basis. The score should ultimately reflect the risk maturity or aptitude of the municipality beyond the documentation that govern the practice of Risk Management within an Institution but its culture and beliefs, practices and ultimately its impact on Service Delivery and overall Organizational Performance.

The Risk Maturity of the municipality has not been reassessed at the time of reporting (due August 2013) and the risk maturity levels will steadily increases as Risk Management becomes embedded in the culture and daily operations of the Institution and the aim is to ensure that ERM Practices are sustainable and have a long term impact. The Risk Management Implementation Plans for the upcoming periods will aim to work towards the achievement of this objective, starting with the 2013/14 target being a risk maturity level of a 4.

2.9 ANTI-CORRUPTION AND ANTI-FRAUD

The Risk Management, Anti-fraud and Anti-corruption committee plays an oversee the fraud and corruption prevention in the Municipality and reports findings of fraud risks to the Audit Committee. The Municipality has an approved fraud prevention plan in place that is multidisciplinary and cross-functional.

The Municipality has open forensic investigations with regards to the following matters;

- Allegations of irregularities within the Revenue Department (Financial Services).
- Allegations of Impropriety: Land Use Management (new).
- Investigation into Armed Robbery at Municipal Offices.
- Allegations of submission of fraudulent documentation to the Gauteng Liquor Board (3 investigation cases closed and 3 still open).

As part of Consequence Management the matters are under Internal Processes with the Corporate Support Services Cluster for ensuring that relevant proceedings, Disciplinary and/or Criminal, are undertaken where appropriate.

The Risk Management, Anti-fraud and Anti-corruption Committee, the Audit Committee and the Municipal Public Accounts Committee (MPAC) oversee the progress on all investigations and to ascertain whether appropriate steps, preventative and/or corrective, have been taken in this regard.

The Risk Management, Anti-fraud and Anti-corruption Committee approved a Fraud Prevention Plan on 01 August 2012, with the following achievements made to date:

- Code of conduct circulated to all employees by the Human Resources Department;
- Developed Code of Ethics (Human Resource Department);
- Development of employee Induction Programme is in progress;
- Councillors, Senior Management and Employees from level 01 – 06 completed Annual Declaration of interest;
- Ward-based tenders awarded by the Municipality and performance of the bidders;
- Quarterly reporting on Disciplinary cases to the Senior Management by Human Resources.
- Register for Senior Management in place and kept by the Office of the Municipal Manager. Clusters will from 2013/14 keep Gift Registers in the Deputy Municipal Manager's Offices.

2.10 INTERNAL AUDIT

ELM has a fully functional Internal Audit Cluster which is mandated to provide independent, objective assurance and consulting services geared towards adding value to ELM and improve the quality of the service delivery. Therefore, internal audit is an independent cluster which is a significant contributor to corporate governance within the municipality providing assurance services.

To this end, the internal audit has developed and implemented a risk-based Annual Audit Plan which is aligned to the ELM strategy (IDP) and Strategic Risk Register which was adopted and approved by the Audit Committee and Council respectively.

2.10.1 Contributions to Corporate Governance and Operation Clean Audit (OPCA)

Audit Committee and Performance Audit Committee: Contributions to Corporate Governance and Operation Clean Audit (OPCA)

Audit Committee and Performance Audit Committee: Internal Audit contributed to strengthening of the governance mechanisms within ELM by supporting the Audit Committee and Performance Audit Committee in convening productive meetings and in so doing assisted committees in exercising its legislative mandate. This observation was supported by the evaluation made by the Office of the Speaker, Executive Mayor and Senior Management on the functionality of the committees as follows:

The Aggregate Rating of Audit Committee's performance on a 1-5 scale:

CRITERIA	SCORE	SYMBOL
Composition and Quality	67	•
Understanding Business and Risks	53	•
Oversight of Internal and External auditors	56	•
Process and Procedure	66	•
Communication	71	•
Oversight of Internal Controls, Governance, and Financial Reporting	76	•
Leadership of the Chairperson	74	•
Overall Performance	70	•

• • Excellent Service • • Good Service • • Poor service

Combined Assurance Framework - Internal audit has developed the combined assurance framework to ensure the adequacy, effectiveness, efficiency and relevance of the control environment. Internal Audit will further develop a combined assurance plan, to ensure implementation of the combined assurance framework .

Further the ELM Combined Assurance process relates to assurance given by various parties including Management, Internal Audit, Auditor-General (South Africa) (AGSA), other regulators, expert service provider's e.g. sworn valuers, the Audit Committee a with regards to the effectiveness of controls and ultimately by Council on activities of the Municipality.

Consulting Services - Internal Audit plans includes a consulting services framework, strategy and methodology, aimed at increasing the range of value-added services that internal audit provides to its stakeholders, while maintaining its independence in relation to assurance services. Consulting services comprise a wide range of activities based on management's needs. These services can be tailored to resolve specific issues that senior management has identified as requiring attention and can be advisory, educational, and /or facilitative in nature.

Continuous Auditing - Internal Audit has introduced a continuous auditing/real time audit technique which is used to provide a snapshot of the internal controls in order to enable timely and regular assurance of ELM effective control by monitoring the compliance with key controls. This approach assists to identify the internal control gaps or deficiencies and sends the warning signs to management at the right time. It is envisaged that the full benefits of process will only materialise during the 2013/14 financial year as the continuous audit solution starts to mature.

King III Governance Framework - Internal audit has assisted management in the development of the King III Framework to ensure improvement on the quality of leadership, good governance and proper accountability of processes thereof.

Internal Audit Outcomes for 2012/13

Implementation of the Risk based Annual Audit Plan

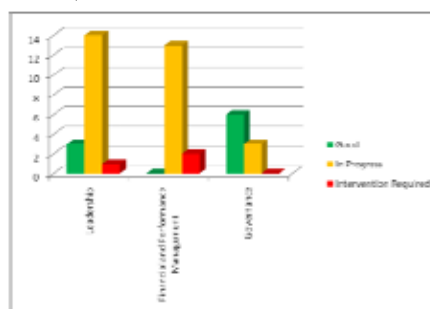
Based on the approved risk based audit plan Internal Audit provided assurance and reported on the adequacy and effectiveness of controls in ELM's business processes as well as in specialized areas such as, Environmental management, Supply Chain Management, Performance Management, Value for Money Audit, Compliance, Financial, IT Governance, Risk Management and Internal and External OPCA follow-up which resulted in a 90% audit coverage.

AGSA Dashboard: Internal Audit has facilitated the AGSA Dashboard Reports on the Key Control Environment which are quarterly signed off by the Executive Mayor. These reports contributed to key leadership commitments made by the key role players, including the ELM Executive Mayor in order to strengthen the executive leadership and oversight in maintaining clean governance.

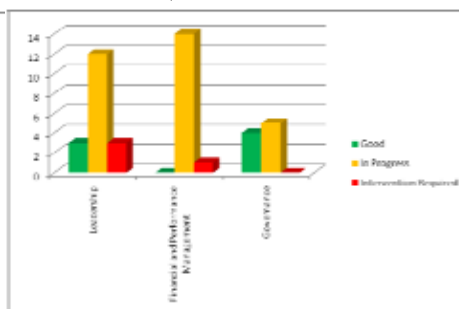
Further, continuous key control environment assessment by management and evaluation by internal audit indicated improvement on Leadership, Financial and Performance Management and Governance processes.

The results are illustrated below:

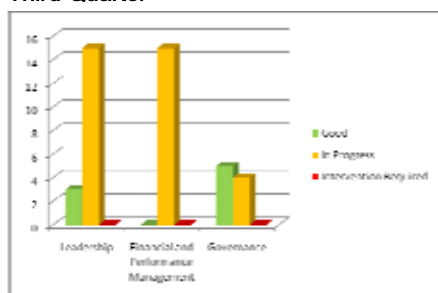
First Quarter



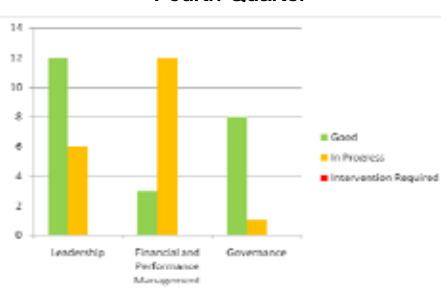
Second Quarter



Third Quarter



Fourth Quarter



Internal and External OPCA Follow-up, the Internal Audit contributions in terms of Operation Clean Audit was realized when Management resolved significant number of the audit findings raised by AGSA and Internal Audit which resulted in the ELM receiving an unqualified audit opinion.

Further, management is committed to the OPCA process by continuously implementing the internal and external audit recommendations in order to retain an unqualified audit and move towards the clean audit opinion, thereby demonstrating a clean administration.

The table below provides the status of the implementation of AGSA audit findings raised for the financial year 2011/2012

Cluster	Total number	Not applicable	Applicable findings	Resolved	Partially resolved	Not resolved	Management put internal control systems in place and further Follow up will be conducted during the external audit reviews(as per approved Combined Assurance Framework)
		N/A		😊	😐	😞	😄
Corporate Services	3	0	3	3	0	0	0
Public Safety and Community Development	6	0	6	6	0	0	0
Municipal Manager	14	0	14	11	3	0	0
Finance Cluster	8	0	8	6	2	0	0
IPAM	3	0	3	3	0	0	0
Revenue Management	3	0	3	3	0	0	0
Basic Services	2	0	2	2	0	0	0
	39	0	39	34	5	0	0

The table below provides the status of the implementation of audit findings raised by Internal Audit for the financial year 2012/2012:

Cluster	Total Audit Finding due for follow up	Resolved	Partially Resolved	Not Resolved
		.	.	.
Basic Service	3	2	1	0
Corporate Service	33	23	9	0
IPAM	16	10	5	1
Finance	9	9	0	0
Revenue Agency	1	1	0	0
EDP	5	4	1	0
Public Safety and Com. Dev.	0	0	0	0
Municipal Manager	39	33	5	1
Total	106	83 (78%)	21 (20%)	2 (2%)

Annual Assessment of the ELM internal controls

Internal Audit provided assurance in respect of the adequacy and effectiveness of controls in all the clusters. Based on the outcomes of these audits, Internal Audit provided the Audit Committee with a written assessment on the status of the ELM internal controls for the 2012/13 reporting period. For seamless approach on the achievement of clean administration at ELM this process was aligned to the Auditor-General Dash Board Report-Drivers of Internal Control which also contributes to commitments made by the Executive Mayor to improve the audit outcomes.

Quality assurance improvement programme

The Internal Audit Cluster maintained and implemented a quality assurance and improvement program to ensure that the quality of audit products and services are realized by ELM. The programme is designed to enable evaluation of the cluster in order to conform to International Internal Audit Standards and Code of Ethics as well as the approved Internal Audit Charter and audit methodology.

To that end client satisfaction surveys were implemented to measure the quality of internal audited projects for strengthening governance processes within the Municipality. The said processes were conducted by providing management with recommendations which resulted in improved governance, risk management and internal controls in the Municipality.

Evaluation of Internal Audit cluster by all the stakeholders

Internal Audit was evaluated by all the stakeholders on a scale of one to five. The Internal Audit Cluster is operating within the commitment of the entire ELM and internal audit staff where everybody is striving towards meeting agreed upon deadlines. Overall the Internal Audit Cluster had a very successful 2012/2013 reporting period.

The following results indicate that internal audit was continuously adding value to the ELM control, risk management and governance process during the 2012/13 reporting period:

CRITERIA		SCORE	SYMBOL
A.	Managing the Internal Audit Activity	72	☹️
B.	Status of the Internal Audit Activity	82	😊
C.	Nature of Work	76	😊
D.	Continuing Professional Development	70	☹️
E.	Risk Based Auditing	74	☹️
F.	Forensic Investigations and Special Assignments	65	😞
G.	Technology	71	☹️
H.	Resources	60	😞
I.	Quality Assurance and improvement	73	☹️
J.	Communications	74	☹️
K.	Relationship with Stakeholders	73	☹️
L.	Audit Plan	76	😊
M.	Operational Requirements	75	😊
N.	Overall Performance	75	😊

😊 >74 Excellent Service ☹️ 70-74 Good Service 😞 <70 Poor service

Internal Audit Highlights and Successes for 2012/13

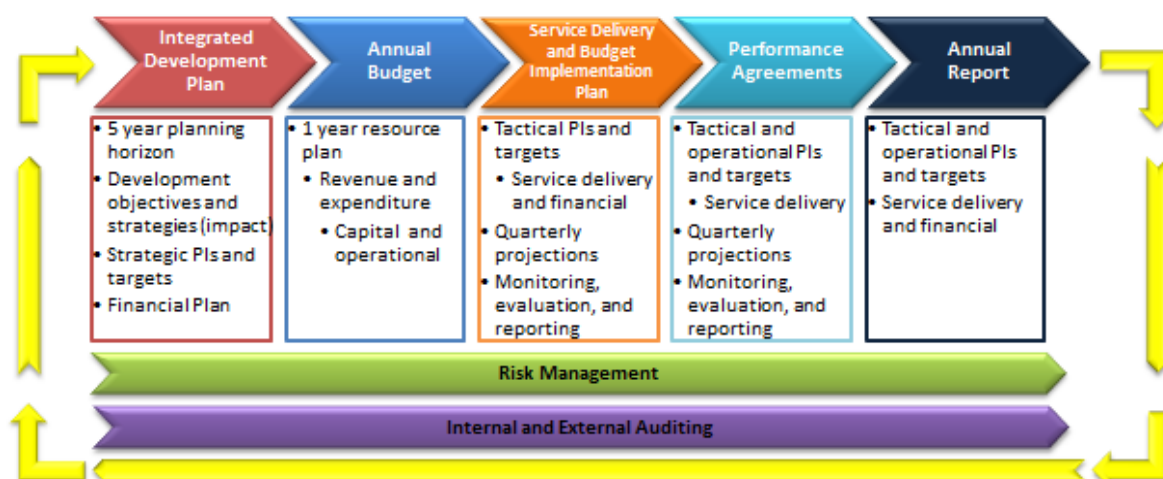
- Successfully Implemented the internal audit cluster approach;
- Successfully Implemented a Combined Assurance Model;
- Implemented a 100% performance audit methodology which is aligned to National Treasury Framework on performance management which adds value to the service delivery quality;
- Implemented continuous auditing model;
- Participated and assisted in the OPCA process which contributed towards receiving an xxxxx audit opinion for the xxxxx time in the history of the Municipality; and
- Executing a communication strategy to build good communication and client relations with management and all related stakeholders.

2.11 PERFORMANCE MANAGEMENT

The integrated development planning and performance management functions are managed in the Strategic Management Support Department. The Department is primarily responsible for the preparation of the following work products:

- The integrated development plan
- The service delivery and budget implementation plan
- Annual performance agreements
- The annual report.

The following schematic representation shows the value chain of these work products; how they are related to one another; and the salient features of each.

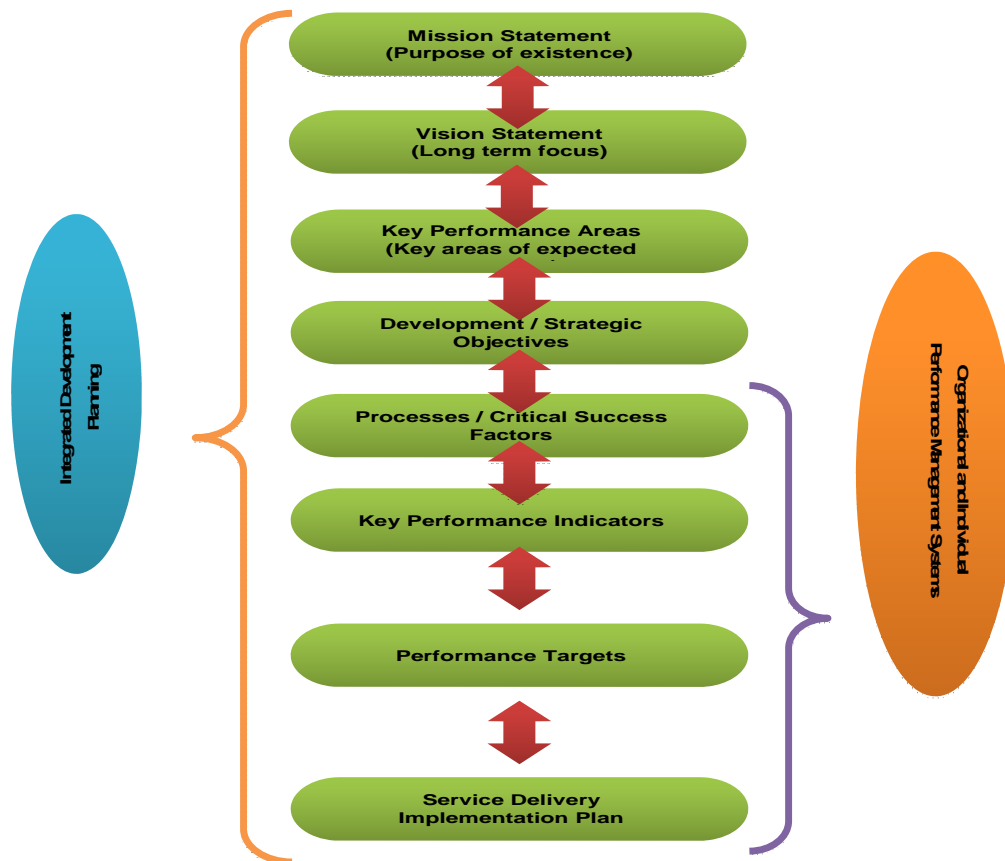


The Integrated Development Plan (IDP) is prepared for the term of office of an elected Municipal Council and is reviewed and revised annually during that term, for example, a comprehensive public participation process that is undertaken by the Executive Mayor.

The development objectives and strategies captured in the Integrated Development Plan are resourced by means of the budget that comprises the estimates for revenue and expenditure. The Service Delivery Budget Implementation Plan (SDBIP) captures the performance indicators and targets for the development objectives and strategies recorded in the integrated development plan as well as the revenue and expenditure targets set in the budget.

The Service Delivery and Budget Implementation Plan has two parts, viz. the organizational part that consists of strategic performance indicators and targets, and the departmental part that contains operational performance indicators and targets. The organizational part forms the performance plans that are incorporated into the annual performance agreements of the municipal manager and other senior managers.

The graphic below reflects the relationship and core components of the integrated development plan, the service delivery and budget implementation plan and the performance management system



The service delivery and budget implementation plan is also the core aspect of performance management. Performance management is a business process that measures the implementation of an organization's strategy. It is also a management instrument to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery.

To give effect to the performance management function, a domestic performance measuring instrument was designed, developed, implemented, and maintained to facilitate the measuring, evaluation, and reporting of actual service delivery achievements against predetermined targets and projections. Organizational service delivery performance measurements, evaluations, and reporting occur on a quarterly basis, whilst individual performance assessments are done six monthly, i.e. at mid-year and year-end.

The outputs of the quarterly performance measuring, evaluation and reporting form the basis for the preparation of the annual report.

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

2.12.1 Public Satisfaction Level

The Gauteng City Region Academy (GCRA) has conducted a Quality of Life Sample Survey to establish the satisfaction level of communities within the area of jurisdiction of the Emfuleni Local Municipality. The results of the survey are contained in the table below.

The survey was conducted between 15 August and 5 December 2011 and involved a sample of 600 people. The table below depicts the satisfaction levels of ELM communities with regard to Municipal Services:

SURVEY RESULTS INDICATING SATISFACTION					
Subject Matter	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Neither
Dwelling	25%	50%	12%	7%	6%
Waste Removal	26%	53%	12%	3%	9%
Energy Sources	24%	47%		5%	
Water	30%	58%	7%	2%	2%
Sanitation	27%	55%	10%	3%	5%
Roads	18%	25%	23%	25%	9%
Cost of Municipal Services	13%	39%	21%	10%	17%
Billing services	12%	35%	20%	12%	21%

Source: Gauteng City Region Academy
(GCRA), 2011

2.12.2 Satisfaction Level

The survey indicates high levels of satisfaction above 50% level on all categories except on Roads and Billing Services. There is high satisfaction level of 75% in provision of dwelling as shown in the table. This is supported by the increase from 186 926 of households in 2001 to 220 135 in 2011 or the percentage increase on formal dwellings from 81.8% in 2001 to 85.3 in 2011 according to Statistics SA, 2011.

The Waste Removal category recorded a satisfactory level of 79%. This was made possible by the increased and regular weekly waste household collection by the municipality, which is in line with the national norms and standards. The Energy Sources category indicated a satisfactory level of 71%. Over 50% of respondents perceive the cost of municipal services to be satisfactory. Close to half have a different view which may affect their affordability.

The Water and Sanitation categories also recorded the highest satisfactory levels of 88% and 82% respectively. The respondents clearly perceive the municipality to be handling these services well.

The Roads and Billing Services indicated relatively low satisfactory levels of 33% and 47% respectively. This indicates that significant proportion of respondent perceive the municipality to be providing these services below expected levels.

Some of the billing challenges and road maintenance constraints raised at public meetings confirm these perceptions. However there are efforts underway to remedy the billing challenges and the establishment of the revenue agency is one of those efforts.

2.13 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management of Emfuleni Local Municipality has been implemented in terms of Chapter 11 of Municipal Finance Management Act No.56 of 2003; SCM Regulations of 2005. Relevant MFMA circulars clearly set out the required processes and guidance manuals to help ensure that SCM processes provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. The legislations and guidelines referred to were the bases for the formulation of ELM's Supply Chain Management (SCM) policy.

SCM is an integrated function which deals with the following functions:

- Demand Management
- Acquisition Management
- Logistic and Disposal Management
- Risk and Performance Management

The SCM Policy and Procedure Manual were reviewed during the financial year, as to cater experienced challenges, intensify controls, streamline processes and promoting fairness, cost- effectiveness, efficiency and local economic development. Furthermore, the review was also intended to accommodate National Treasury's circular 62.

2.14 BY-LAWS

The following By-Laws were drafted:

Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws	Dates of Public Participation	By- Laws Gazetted	Date of Publication
Community Fire Safety Bylaws	New	No	No	No	No
Child Care	New	No	No	No	No
Keeping of Food Bylaws	New	No	No	No	No

Keeping of Dogs	New	No	No	No	No
Keeping of Animals	New	No	No	No	No
Environmental Bylaws	New	No	No	No	No
Assessment of Rates Levies	New	Yes	02 – 09/ 05/ 2012	Gazette No. 337	09/11/2012

The above-mentioned by-laws were workshopped with Councillors. The next step in the process is to conduct public participation and publish them for promulgation.

2.15 WEBSITE

The following information was published on the website during the year under review:

Information to be placed on the website	2011/12	Date
Annual and adjustment budget and all budget related documents	Yes	21 January 2013
All budget related policies	Yes	15 June 2012
Annual Report *	Yes	7 February 2013
Performance Agreements as per s57 (1) (b) of MSA	Yes	18 January 2013
All service delivery agreements	N/A	
All long-term borrowing contracts	Yes	20 March 2013
All SCM contract above R100 000 per quarter	Yes	18 March 2013
Information statements containing list of assets over prescribed value that have been disposed in terms of s14 (2) or (4) during the previous quarter	Yes	12 April 2013
Public-private partnership agreements	Yes	20 March 2013
All quarterly reports tabled in the Council in terms of s52 (d)	Yes	26 March 2013
Any other documents that must be placed on the website in terms of this Act or any other applicable legislation or as may be prescribed	Yes	15 June 2012
Total	100%	

2.15.1. Municipal website content and access

Our website is an important source of information and receives almost 250 000 hits per month. Our compliance (MFMA) rate for the year under review is 100 %. The Communication Unit also improved the website to provide information relating to the following:

- tenders,

- job opportunities,
- departments and their functions ,
- annual and quarterly reports,
- financial performance;
- media statements , articles and speeches,
- interactive platform where residents can send their enquiries or complaints or messages,
- links to important services such as traffic fines,
- events calendar and platform for committee of the municipality to access documents, tourism information and public notices.

2.16 INTEGRATED DEVELOPMENT PLAN (IDP) AND ALIGNMENT CRITERIA

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

CHAPTER 3 SERVICE DELIVERY

3.1 INTRODUCTION

During the financial year 2012/2013 the Municipality adopted 11 strategic objectives linked to the Sedibeng Growth and Development Strategy and the National Outcomes.

These strategic objectives have been captured into the 2012/2013 IDP and translated into cluster Service Delivery Budget Implementation Plans. In this chapter the Municipality takes a moment to reflect on its performance against the predetermined objectives for the year under review.

Functional breakdown per Cluster is summarized as follows:

Service Delivery Function:	Strategic Support Function:
Basic Services	Political Office
Economic Development and Planning	Municipal Manager
Public Safety and Community Development	Finance
Infrastructure Planning and Asset Management	Corporate Service

BASIC SERVICES

3.2 INTRODUCTION

The Basic Services cluster is committed to ensuring sustainable and basic services are provided to local communities as mandated by the Constitution of the Republic of South Africa (No 108 of 1996). Section 152 of the Constitution clearly defines the mandate of the municipality and in many ways; the Service Delivery cluster is the embodiment of that section and a driver behind the success of the Municipality's service delivery imperatives.

The Cluster comprises the following departments:

Water and Sanitation provides water and sanitation services within the Municipal areas. The Municipality is guided by National Water Act no 36 of 1998 and Water Services Act of 1997.

Electricity Department is responsible for provision of electricity and public lighting to local communities including informal settlement.

Waste and Landfill Management is responsible for collection and transportation of waste, cleansing services and managing landfill sites.

Roads and Storm Water Department's role includes provision of road, patching and ceiling.

3.3 WATER PROVISION

Emfuleni Local Municipality in conjunction with Rand Water, ensure that the water supplied within the Emfuleni area is of good quality. This is in line with the Blue Drop regulations, the SANS 241 standards and comply with the international standards of water quality for human consumption. The Municipality has been one of the leaders in providing safe potable water to its community by receiving Blue Drop Certification for the past 2 years with an increase in compliance from 94.75% in 2011 to 96.87% in 2012.

3.3.1 Compliance Procedures

In order to ensure that the potable water supplied to the community is always healthy and of quality, the Municipality implements the following processes and procedures:

- Monthly water quality tests (100 samples);
- 24 hour pressure control;
- Additional chlorination dosing;
- Dedicated reaction team for water quality complaints and resolution;
- Daily monitoring of main water supply infrastructure;
- Active Water Safety Plan and Incident Management Protocol;
- Daily raw water and process monitoring and tests at the Vaaloewer Potable water Purification Plant;
- 24 Hour security at major water supply infrastructure;
- 24 Hour stand-by teams to react to infrastructure and supply emergencies; and

● Electrical, mechanical and Instrumentation Maintenance and Support.

3.3.2 Water Loss and Savings

The water balance currently indicates a water loss of 31.9% on the input volume. 4.6 % is a reduction from last financial year losses which was 36.5%. The water loss is due to physical and metering inaccuracies.

3.3.3 Challenges and Interventions

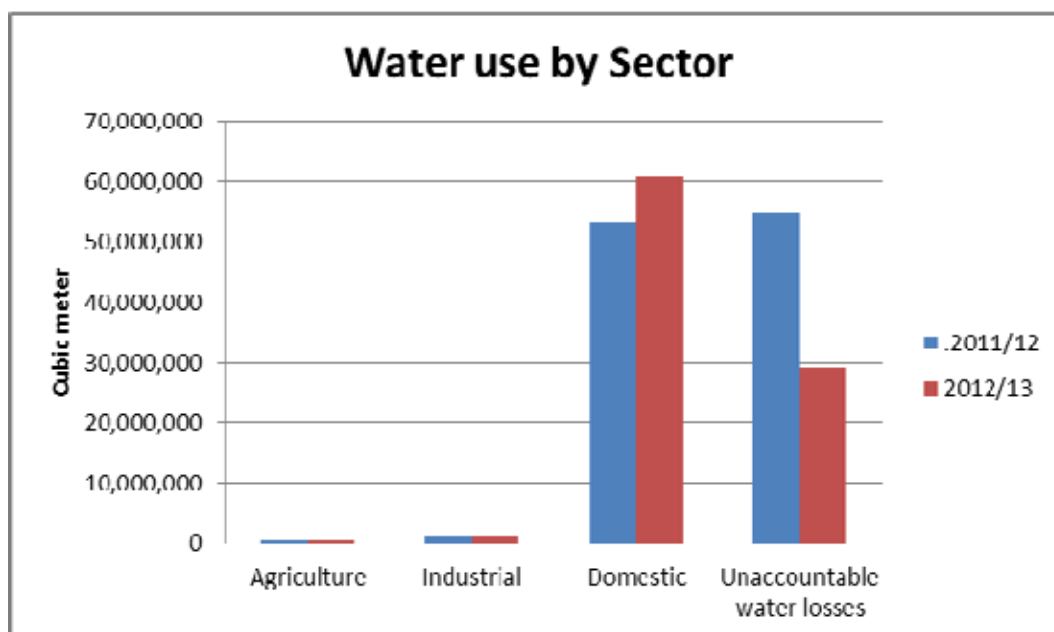
ELM still experiences challenges in that 36% of consumers within the area are billed per consumption and 50% of consumers are registered flat rate payers. The existing flat rate charged consumption is 20 kℓ but the actual average consumption per household totals 36 kℓ.

The largest portion of the water loss is not due to water supply network leaks but leaks on internal domestic water systems. The billing process is also a challenge due to a large amount of consumers which do not have water meters installed or incorrect information reflected on the billing system. The Municipality is investigating the installation of Smart water meters which will provide accurate reading of consumption, can detect leaks, flow control and automatically link meter reading to the billing system.

ELM has implemented a joint collaboration with SASOL and GIZ to reduce the water demand by 15% over a 3 year period through the implementation of water loss reduction initiative in the Sebokeng and Evaton areas. The first phase of the project was completed on 30 June 2013 and resulted in the creation of 91 job opportunities and supported 58 existing local community plumbing entities through preferential procurement practices. The project resulted in the savings of 2 076 793 KI or R 10 515 490.

3.3.4 Water Use by Sector

Total Use of Water by Sector (cubic meters)				
	Agriculture	Industrial	Domestic	Unaccountable water losses
2011/12	533,743	1,036,903	53,296,142	54,866,788
2012/13	628,577	1,360,250	60,736,204	29,367,251



The graph shows that there is no increase in water use in agricultural and industrial sectors. The increase in the domestic sector is due to housing developments in the area and this trend is expected to continue in the coming years as many housing developments are planned for this area.

The reduction of unaccounted water losses is due to the implementation of Water Demand and Conservation Initiatives which include the SASOL and GIZ retrofitting project. The biggest components of the Non-revenue water relate to corrections on the Billing System, Authorized Unbilled Consumption and Supply Network Leaks.

3.3.5 Water Service Delivery Levels

Water Service Delivery Levels				
Description	Households			
	2009/10	2010/11	2011/12	2012/13
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	157,088	159,779	164,272	165,554
Piped water inside yard (but not in dwelling)	2,576	2,550	2,500	3,379
Using public tap (stand pipes)	74,977	73,337	70,067	70,591
Other water supply (within 200m)	0	0	0	1,921
Minimum Service Level and Above sub-total	234,641	235,666	236,839	241,445
Minimum Service Level and Above Percentage	100%	100%	100%	100%
Water: (below min level)				

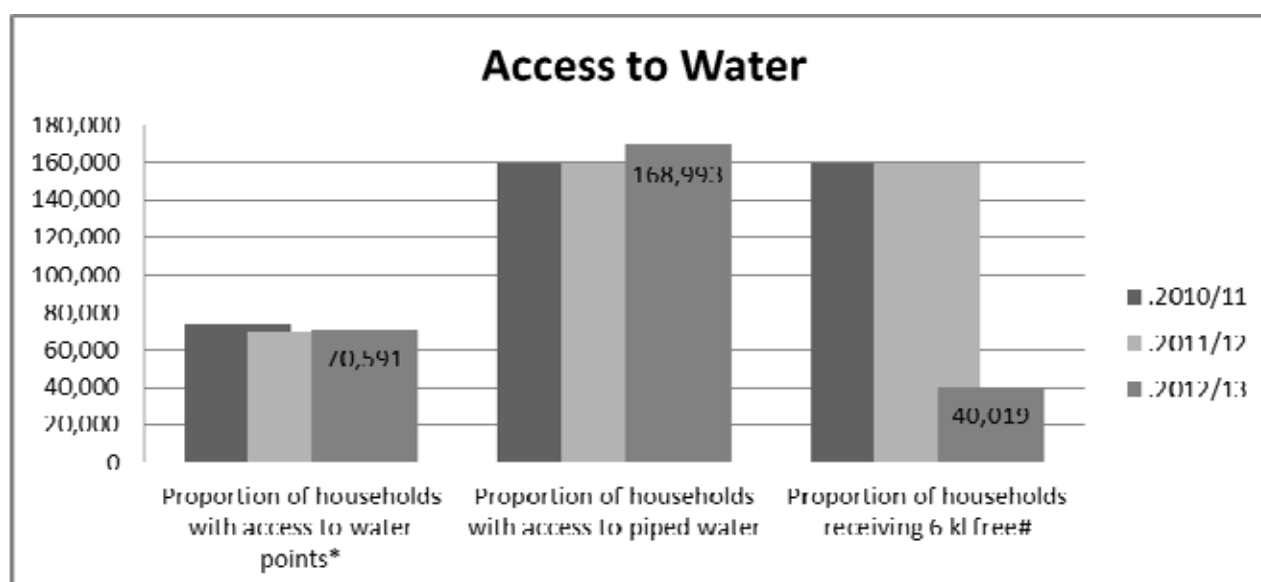
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	400	448	310	0
No water supply	0	0	0	0
Below Minimum Service Level sub-total	400	448	310	0
Below Minimum Service Level Percentage				
Total number of households*	235,041	236,114	237,149	241,445
* - To include informal settlements				

3.3.6 Water levels below minimum

Households	2009/10	2010/11	2011/12	2012/13		
Description	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	159,464	162,329	166,772	166,772	166,772	168,933
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	74,977	733,337	70,067	70,067	70,067	70,591
Households is below minimum service level	488	448	310	0	0	0
Proportion of households is below minimum service level	1%	0%	0%	0%	0%	0%

3.3.7 Access to Water

	Access to Water		
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2010/11	73,337	159,779	159,779
2011/12	70,067	159,272	159,272
2012/13	70,591	168,993	40,019



* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute.

6,000 litres of free basic potable water supplied per formal connection per month as per indigent register.

During the financial year 2012/2013 only registered indigent households were supplied with free basic water as opposed to last financial year where every registered household were supplied with free basic water.

3.3.8 Water Service: Service Delivery Budget Implementation Plan

Water Service : Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Quality rendered accessible sustainable and reliable municipal services	Reduce water losses by 2 % per annum	2 % per annum (36,736,699 Kls water losses)	6 % was achieved 32,710,681 Kls water lossess	2 % per annum of the 32,056,467 Kls water lossess	4.6 % was achieved 29,367,251 Kls water lossess	2 % per annum 28,779,905 Kls water lossess
	Households with access basic level of water	98%	98%	98%	100%	100%
	Quality of water provided	98%	99%	95%	96.80%	98%

3.3.9 Employees: Water Services

Employees: Water Services					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	1	3	1	2	67%
4 to 6	8	18	12	4	22%
7 to 9	25	46	19	27	59%
10 to 12	24	30	26	4	13%
13 to 15	2	17	6	11	65%
16 to 18	137	146	97	49	34%
Total	197	260	161	97	37%

3.3.10 Water Services: Financial Performance

Water Services : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	510,660,971	703,112,237	703,030,178	696,107,536	-1%
Expenditure:					
Employees	35,715,147	37,758,736	34,699,236	39,658,854	14%
Repairs and Maintenance	12,293,845	11,324,569	6,598,648	6,294,988	-5%
Other	476,646,270	671,886,480	597,944,106	479,616,422	-20%
Total Operating Expenditure	524,655,262	720,969,785	639,241,990	525,570,265	-18%
Net Operational (Service) Expenditure	(13,994,292)	(17,857,548)	63,788,188	170,537,272	167%

3.3.11 Water Services: Capital Expenditure

Water Services : Capital Expenditure (excl VAT)					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
Total All	18,842,500	16,433,079	9,508,009	-42%	9,508,009
N:Upgrade Water Infrastructure ELM	750,000	-	235,209		235,209
N:Bulk Water SuppLethabon Res 2 Houtkop	6,000,000	-	-		-
R:Upgrade Water Reserviors; Sharpville	1,592,500	-	-		-
R:Water Demand	5,000,000	5,000,000	1,153,732	-77%	1,153,732
R:Sasol Giz	5,000,000	5,000,000	4,092,277	-18%	4,092,277
N:Bulk Water SuppVdpReservoir 2vaalower	500,000	-	-		-
N:Golden Gardens Bulk Water Supply Ph2	-	1,852,500	137,541	-93%	137,541
R:Quaggastroom Const 15ml Reservoir	-	4,080,579	1,839,115	-55%	1,839,115
R:Upgrade Of Water Infrastrucure	-	500,000	2,050,135	310%	2,050,135

As indicated on the table above, the original budget was R18, 842,500 and later adjusted to R16, 933,079 during the mid-year budget review. During the review/ reprioritization process; projects that were still at planning phase were substituted by those ready for implementation. A total of R 9,508,009 was spent ;which brings the expenditure to 56% of the Adjusted budget. Quaggastroom 15ML Reservoir project was completed but is busy being commissioned and the remaining projects will be rolled over to the next Financial Year.

The Municipality started with a comprehensive process of executing projects with a comprehensive planned approach. This comprehensive plan was founded from our active master planning which started revealing infrastructure risks. The main risk identified highlighted that the water infrastructure needed to be upgraded to ensure sustained water provision on areas that are currently enjoying this provision. This amongst other reasons resulted in a re-prioritization process that resulted in a massive investment into a planning process for upgrading of water infrastructure. Initially there was no funding budgeted for planning but this was adjusted into R500,000 while

actuals spent was R2,050,135 funded through the Municipal Infrastructure Grant (MIG). This was not an unbudgeted for over expenditure as the approved amount for the planning business plan was a total of R20 million by MIG

3.3.12 Overall Performance of Water Services

There are no backlogs in the supply of potable water within the urban edge. Areas outside the urban edge with access to municipal water infrastructure are also provided with water connections as and when required. The level of service provided for formal housing is a metered water point per household and for informal settlements communal standpipes within a 200 meter walking distance with 25 liters per person per day.

Low water pressure in the water supply system in Palm Springs has been resolved by installing the new separate Rand Water bulk supply which is dedicated for Palm Springs. The Municipality has reduced water losses from 36.5% to 31.9%.

3.4 WASTE WATER (SANITATION) PROVISION

The sanitation networks consist of 2900 Km of gravity sewer pipelines, 33328 sewer manholes, 44 pump stations and 94 sewer pumps. The sanitation network is maintained and operated by 14 sewer maintenance teams attending to sewer blockages, maintenance cleaning and pipe repairs.

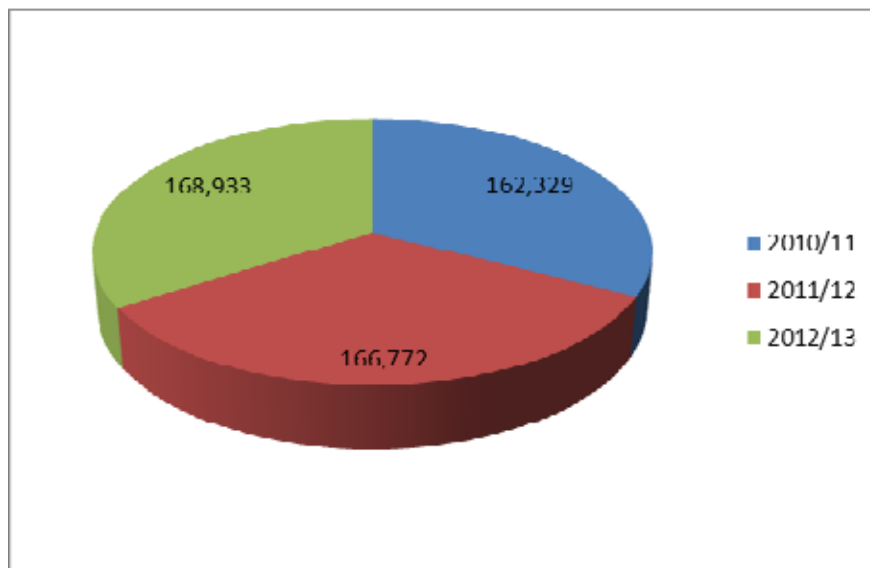
ELM has two dedicated pump station maintenance teams assisted by a service provider for 48 sewer pump stations to minimize sewer spillages. There is 100% sanitation coverage in all formal settlements. The number of households receiving sanitation in Emfuleni Local Municipality has increased by 3.2% since the last financial year.

3.4.1 Sanitation Service Delivery Levels

Sanitation Service Delivery Levels				
*Households				
Description	2009/10	2010/11	2011/12	2012/13
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	155,538	158,233	162,726	168,933
Flush toilet (with septic tank)	N/A	N/A	N/A	N/A
Chemical toilet	N/A	N/A	N/A	N/A
Pit toilet (ventilated)	N/A	N/A	N/A	N/A
Other toilet provisions (above min.service level)	N/A	N/A	N/A	N/A

Minimum Service Level and Above sub-total	0	0	0	0
Minimum Service Level and Above Percentage				
Sanitation/sewerage: (below minimum level)				
Bucket toilet	N/A	N/A	N/A	N/A
Other toilet provisions (below min.service level)	N/A	N/A	N/A	N/A
No toilet provisions				
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level Percentage				
Total households	-	-	-	-

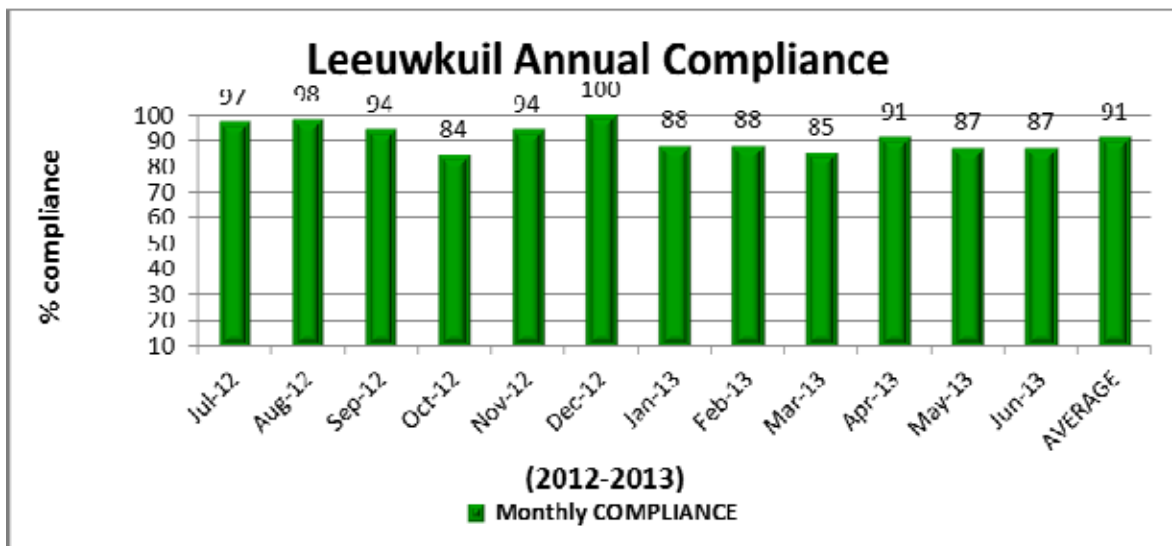
3.4.2 Access to Sanitation



The graph shows that access to sanitation in n 2012/2013 has increased by 6207 since the last financial year. The increase is due to the developments of new houses in the area.

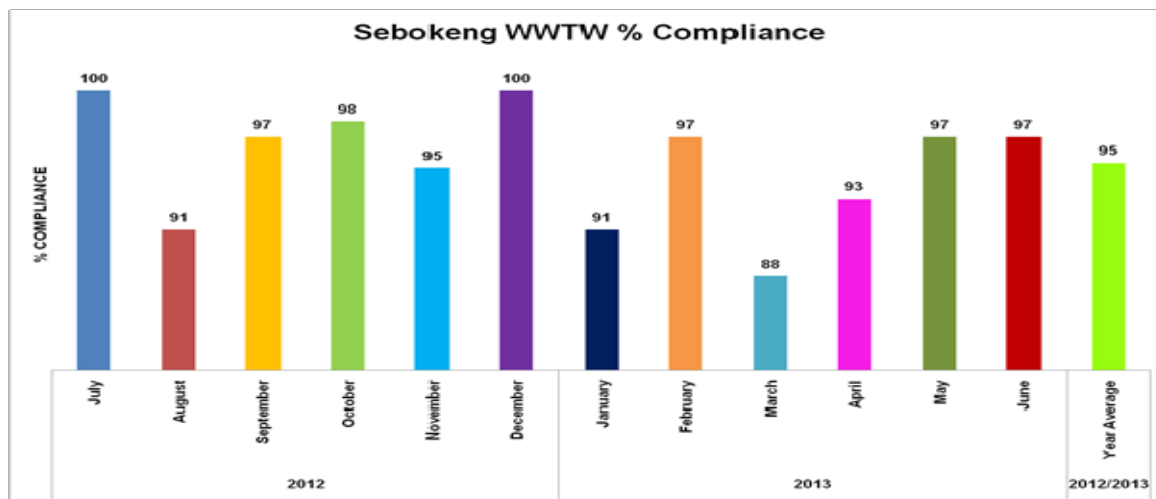
3.4.3 Compliance breakdown per plant (Water Care Work):

Leeuwkuil Care Works:



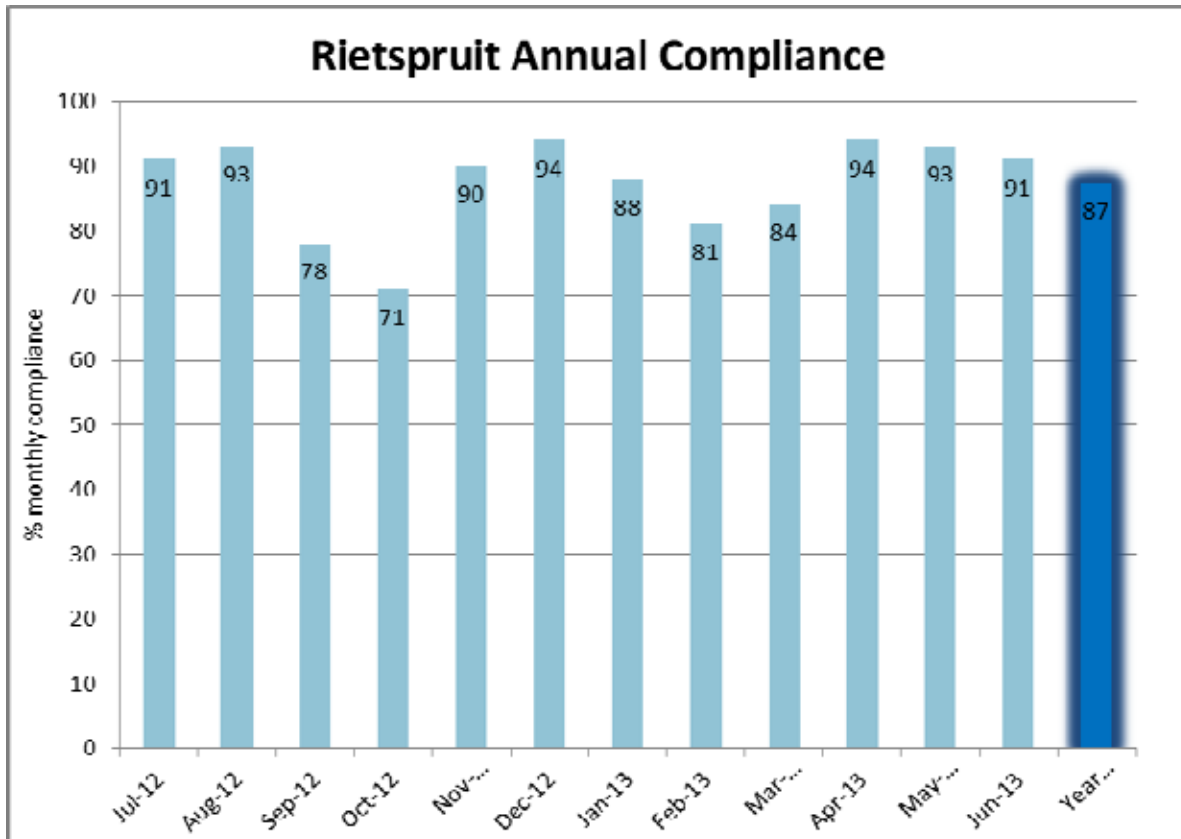
The overall average effluent compliance for Leeuwkuil Water Care Works for 2012/2013 is at 91%.

Sebokeng Care Works:



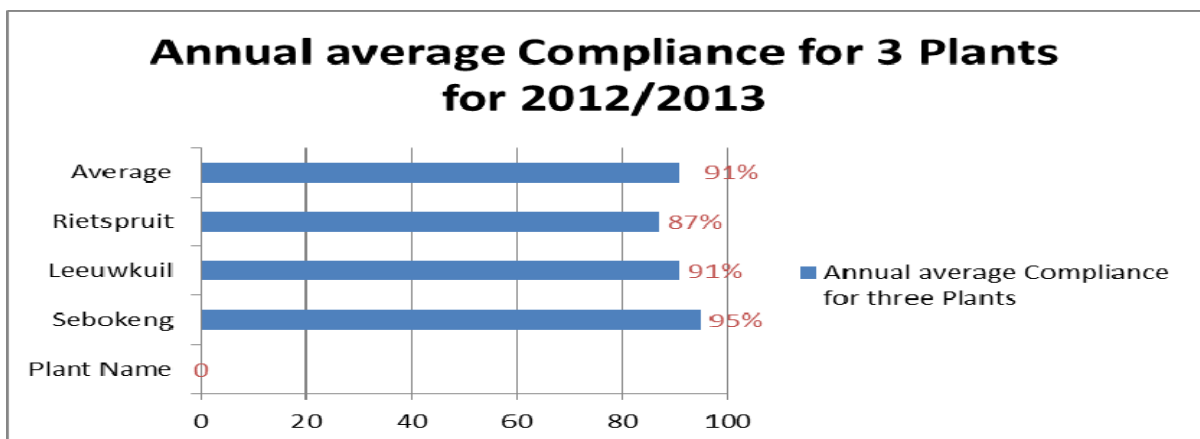
The overall average effluent compliance for Sebokeng Water Care Works for 2012/2013 is at 95%.

Rietspruit Care Works:



Average on all care works:

The overall average effluent compliance for Rietspruit Water Care Works for 2012/2013 is at 87%.



The required effluent compliance is between 90 and 100%. The average effluent compliance for three water care works for the financial year 2012/2013 is 91%.

3.4.4 Sanitation Services: Service Delivery Budget Implementation Plan

Sanitation Service:Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Quality rendered accessible sustainable and reliable municipal services	Access to basic sanitation services	90%	90%	96%	96%	70%
	Operations of water care works	98%	95%	90%	90%	60%
	Repaired breakages on sewer networks	98%	100%	98%	98%	98%

3.4.5 Employees: Sanitation Services

Employees: Sanitation					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	2	2	2	1	50%
4 to 6	17	17	9	8	47%
7 to 9	15	53	10	43	81%
10 to 12	42	56	29	27	48%
13 to 15	15	39	7	32	82%
16 to 18	118	200	133	67	34%
Total	209	367	190	178	49%

3.4.6 Sanitation Services: Financial Performance

SANITATION SERVICES : FINANCIAL PERFORMANCE					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	201,946,269	306,895,615	205,154,310	183,668,855	-10%
Expenditure:					
Employees	42,950,435	43,706,349	43,844,942	46,579,362	6%
Repairs and Maintenance	5,646,556	11,574,786	17,222,525	23,610,626	37%
Other	117,459,325	193,621,656	144,467,993	27,622,736	-81%
Total Operating Expenditure	166,056,317	248,902,791	205,535,460	97,812,724	-52%
Net Operational (Service) Expenditure	35,889,952	57,992,824	(381,150)	85,856,131	-22626%

3.4.7 Sanitation Services: Capital Expenditure

Sanitation Services : Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	59,286,038	44,650,000	-	-100%	-
N:Upgrade Of Sewer Infrastructure Elm	750,000	-	-	-100%	-
N:Upgrade Of Sewer Pump (Emerald)	-	4,000,000	-		-
N:Regional Bulk Infrastructure Grant	40,000,000	40,000,000	-	-100%	-
R:Upgrading Of The Sewer Pumpstation	4,160,631	650,000	-	-100%	-
R:Upgrading Existing Sewers North Areas	4,375,407	-	-	-100%	-
R:Refurb &Upgr Sewer P/S; Pipework Elm	4,000,000	-	-	-100%	-
R:Water Ingress Into Sanitaion System	2,000,000	-	-	-100%	-
N:Basic Sewer Supply To Elm	4,000,000	-	-	-100%	-

As indicated on the table above, the original budget was R59, 286,038 and later adjusted to R44, 650,000 during the mid-year budget review. Of that allocated R44,650,000; forty million was for the Regional Bulk Infrastructural Grant, a grant for the Sedibeng Regional Sanitation Scheme. This grant is planned for the upgrade of Sebokeng and long term strategy procurement. The amount was committed for the upgrade of Sebokeng for module 7, contributing 50MI, and for a transaction advisor.

During this period the Presidential Infrastructure Coordinating Committee with the Department of Water Affairs identified this as a national strategic project and it was allocated to be one of the Strategic Infrastructure Programmes "S.I.P." and Randwater was appointed as the implementing agent. Due to this transaction the procurement as well as expenditure was stopped which resulted into lack of movement in the biggest capital portion of this budget. The remainder of the R4.6 million budget is for projects that are still at a planning and procurement phases that will be rolled over into the next financial year.

3.4.8 Overall Performance of Sanitation

The following were the achievements for the year under review:

- There are no backlogs for households within the urban edge;
- Upgrading of the telemetry systems of 15 sewer pump stations as part of a long term solution to reduce spillages in the Vaal River;
- Reduction of several sewer spillage in Evaton and Palm Springs areas by increasing capacity through replacing and re-routing certain pipe lines; and
- A total of 8670 of 8786 reported complaints within 48 hours representing a turnaround time of 98% have been addressed.
- 8 projects addressing sewer spillages were completed, namely Tshepiso, Rus-ter-Vaal, Zone 7, Palm Springs, Tikane, Churchill, 28 A Sering Street and Glasco road in Evaton.

Challenges

- Ageing infrastructure;
- Limited funding for preventative maintenance programmes;
- Rapid development in the area;
- High level of sewer blockages in Palm Springs and Evaton areas;
- Storm water ingress which increases the hydraulic loading of the Waste water Care works; and
- Infrastructural vandalism and theft.

3.5 ELECTRICITY

Emfuleni Local Municipality electricity is distributed to all categories of consumers which include residential, agricultural, business and industrial consumers. All consumers connected to the electricity network receive a full service at the applicable rates/tariffs as approved by National Energy Regulation of South Africa (NERSA) every year.

3.5.1 Free Basic Electricity

Free basic electricity (FBE) of 50kWh per month is made available to all the registered indigents. In the areas where Eskom is the supplier of electricity the Municipality compensates Eskom for the issuing of FBE to its consumers.

3.5.2 Bulk Purchases of Electricity

The area covered by the Municipality consumed 2 283 835 066kWh at a monthly maximum demand of 425MVA. In accordance with the latest statistics reported to NERSA there are approximately 65 270 consumers of which 59 296 are residential and agricultural. The residential and agricultural consumers consume approximately 20% of the total energy distributed by the Municipality. The other 80% of electricity is consumed by the industrial and business consumers. The bulk purchase of electricity procured from Eskom for 2012/13 amounted to R1 318 870 434.

3.5.3 Maintenance

Provision is made in the annual operating and capital budgets for the maintenance, refurbishment and/ or upgrading of the electricity network. The allocation to the maintenance funding for the Electricity Function is being increased gradually to achieve the requirement of 6% of the electricity sales on an annual basis as stipulated by NERSA in an effort to improve the preventative maintenance actions and ensure long term continuity of supply.

Maintenance on the electricity network is done on a continuous basis and use is made of multiyear maintenance contracts to achieve this. Maintenance on public lighting is done in accordance with a predetermined program.

3.5.4 Electricity Losses

The total (technical and non-technical) electricity losses for 2012/13 were approximately 15.6%. In order to reduce the losses all faulty and or suspect meters are being replaced. The programme for the replacement of the meters has started late during the year under review and will be continued in the 2013/14 financial year. The benefits thereof can then be determined.

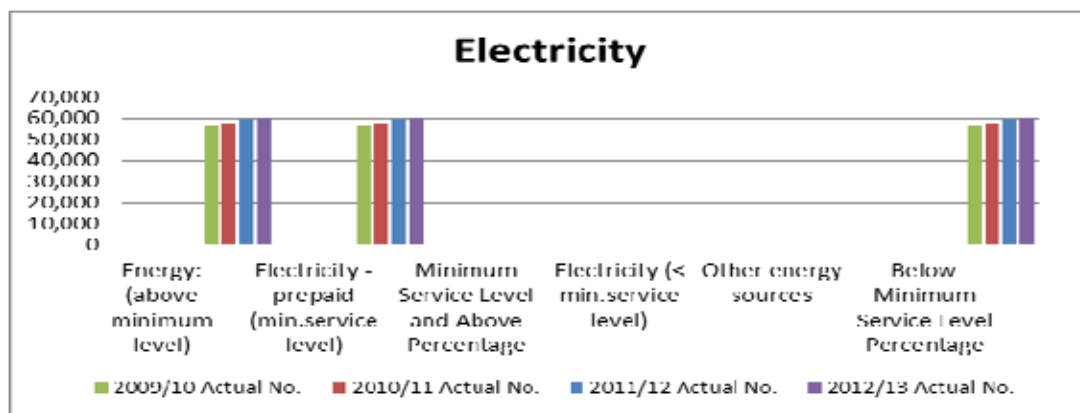
The Municipality is investigating the possibility of rolling out a smart metering system for electricity to all its consumers to achieve accurate and instantaneous meter reading and billing. This system will provide an energy balancing system by means of which theft and/or illegal use of electricity can be detected at an early stage.

The nature of this system will also provide savings in expenses related meter reading and manual up loading of meter reading as well as the disconnection and reconnection of electricity as this will be achieved via remote switching. The two-way communication offered by these initiatives will also enable the Municipality to communicate messages to its consumers as each consumer will have an in-house display unit on which such information can be displayed.

3.5.5 Load Control

The load control system was installed in most of the households to which the Municipality supplies electricity and was completed during the financial year. The system is used for the reduction of energy consumption at peak times of electricity usage and to reduce the cost of electricity by shifting the consumption of energy from the very expensive peak times to the relatively lower cost in standard or off peak times.

3.5.6 Electricity Service Delivery Levels



The above graph gives a comparison of the number of households that receive electricity above the minimum service level. As can be seen in the graph there are no households that receive electricity below the minimum service level.

Service Delivery Levels

Electricity Service Delivery Levels				
Description	Households			
	2009/10	2010/11	2011/12	2012/13
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Energy:</u> (above minimum level)				
Electricity (at least min.service level)	56,881	57,853	59,207	60,607
Electricity - prepaid (min.service level)				
Minimum Service Level and Above sub-total	56,881	57,853	59,207	60,607
Minimum Service Level and Above Percentage	100.0%	100.0%	100.0%	100.0%
<u>Energy:</u> (below minimum level)				
Electricity (<min.service level)	0	0	0	0
Electricity - prepaid (< min. service level)				
Other energy sources				
Below Minimum Service Level sub-total	–	–	–	–
Below Minimum Service Level Percentage	0.0%	0.0%	0.0%	0.0%
Total number of households	56,881	57,853	59,207	60,607

3.5.7 Electricity below Minimum Levels

Households - Electricity Service Delivery Levels below the minimum						
Description	2009/10	2010/11	2011/12	2012/3	Households	
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Proportion of households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Informal Settlements						
Total households	unknown	unknown	unknown	unknown	unknown	unknown
Households is below minimum service level	None	None	None	None	None	None
Proportion of households is below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A

3.5.8 Electricity Services : Service Delivery Budget Implementation Plan

Electricity Service Policy Objectives Taken From SDIDP						
Service Objectives		2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Quality rendered accessible, sustainable and reliable munipal services	Household with access to basic level of electricity	98%	98%	98%	98%	98%
	System average interruption frequency index (SAIFI)	<0.039	0.035	<.0039	.034	<0.037
	Customer average interruptions frequency index (CAIFI)	<1.254	1.232	<1.244	1.262	<1.2
	% expenditure of approved budget	95%	99.7%	95%	95.76%	96%

3.5.9 Employees: Electricity

Employees: Electricity					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	3	4	4	0	0%
4 to 6	19	24	19	5	21%
7 to 9	47	64	48	16	25%
10 to 12	16	36	28	8	22%
13 to 15	73	57	18	39	68%
16 to 18		65	64	1	2%
Total	158	250	181	69	28%

3.5.10 Electricity: Financial Performance

ELECTRICITY SERVICES : FINANCIAL PERFORMANCE					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	1,449,431,430	1,732,240,980	1,732,235,480	1,646,339,709	-5%
Expenditure:					
Employees	43,201,086	44,484,808	47,372,833	48,607,965	3%
Repairs and Maintenance	23,671,229	23,672,251	22,589,763	20,346,435	-10%
Other	1,187,147,793	1,416,960,201	1,328,065,290	1,360,920,815	2%
Total Operating Expenditure	1,254,020,108	1,485,117,260	1,398,027,886	1,429,875,214	2%
Net Operational (Service) Expenditure	195,411,322	247,123,720	334,207,594	216,464,495	-35%

3.5.11 Electricity: Capital Expenditure

Electricity: Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
Total All	108,554,000	82,955,689	48,266,733	- 42%	48,266,733
R:20mva; 88/11kv Trf Switchgear @ Vesco	13,500,000	2,500,000	541,261	- 78%	541,261
N:Electrify Of Tshepong Proper Doe	10,300,000	14,400,000	11,029,509	- 23%	11,029,509
N:Electrifytshepong Proper Elm Funding	8,124,000	9,124,000	6,407,238	- 30%	6,407,238
N:11kv Supply To Tshepiso North X4 Doe	8,000,000	8,152,897	188,324	- 98%	188,324
N:Electricity Demand Site Management	8,000,000	8,000,000	331,339	- 96%	331,339
N:Electrify Tshepiso North X4 Doe	7,700,000	-	-		-
N:Upgrade Mckinon Chain 88/6.6kv Subs.	6,000,000	750,000	608,632	- 19%	608,632
N:Electrify Tshepiso Nort X4 Elm Funding	6,000,000	2,000,000	2,063,785	3%	2,063,785
N:Inst.Cable(Sonland	3,500,000	3,500,000	3,687,188	5%	3,687,188

Electricity: Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
Park)Sub) Randwater					
N:Install Bundle Conductor	3,000,000	2,750,000	2,302,286	- 16%	2,302,286
N:New Conection& Network Reinforcement	3,000,000	6,000,000	5,516,447	-8%	5,516,447
N:Replace 22kv Switchgear Ds Substa.	3,000,000	-	-		-
N:Additional Offices Elect Workshops	2,500,000	-	-		-
R:Repl Pilot Cable Wit Optic Fibre Cable	2,500,000	150,000	-		-
R:Replace 88kv Switchgear Ds Subs	2,300,000	2,300,000	1,495,891	- 35%	1,495,891
N:Increase Notified Max. Demand Eskom	2,000,000	-	-		-
R:Upgrading Of Public Lighting (Elm)	2,000,000	1,000,000	720,226	- 28%	720,226
R:Replace Air Break Switches Substation	1,300,000	-	-		-
R:Replace 11kv Switchgear In Subs.	1,000,000	500,000	496,623	-1%	496,623

Electricity: Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
R:Upgrade 11kv Network Sw5 Area	1,000,000	1,000,000	883,925	- 12%	883,925
N:11kv Supply To Tshepong Doe	1,000,000	4,447,103	4,152,769	-7%	4,152,769
N:Highmast Lighting Sebokeng Zones 7	990,000	-	4,349		4,349
R:Replacement Lt Panels	800,000	800,000	746,857	-7%	746,857
R:Upgrading Of Traffic Lights	800,000	550,000	548,307	0%	548,307
N:Highmast Lighting Sebokeng Zones 13	660,000	-	-		-
R:Replace 11kv Rmi (Ring Main Units)	600,000	600,000	174,822	- 71%	174,822
R:Upgrading 11kv Rural Lines	500,000	500,000	145,160	- 71%	145,160
R:Upg Bundle Conduct &Trfs:Eatonside	500,000	500,000	153,005	- 69%	153,005
R:Upgrade Lv Cables In Vereeniging	500,000	-	47,270		47,270
R:Upgrade Remote;Switching;MeteringUnb	500,000	200,000	234,868	17 %	234,868
R:Replace Enermax Meter-	500,000	500,000	108,390	-	108,390

Electricity: Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
Remote Metering				78%	
N:Tools & Test Equipment	500,000	200,000	173,835	- 13%	173,835
R:Upgrade Overhead Line @66 Houtkop Ah	500,000	500,000	46,939	- 91%	46,939
R:Upgradethree Rivers 88/11kv Sub	500,000	-	-		-
N:Masterplanning	500,000	-	-		-
N:Install S/Light On Trf Pole Rural Area	500,000	-	-		-
N:Street Lights In Golden Highway	500,000	-	-		-
N:Highmast Lighting Sebokeng Zones 11	495,000	-	-		-
N:Highmast Lighting Sebokeng Zones 12	495,000	-	-		-
N:Install Security Strong Boxes Unibijl	350,000	-	-		-
N:S/Light Inteconnector Waldrift & A/Park	350,000	-	-		-

Electricity: Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
N:Minor Capital	300,000	150,000	103,415	- 31%	103,415
N:Scada System	250,000	250,000	238,660	-5%	238,660
N:Power Quality Measuring Instruments	200,000	200,000	153,400	- 23%	153,400
N:Town Sub VdbRepl Entire Batt System	200,000	-	-		-
N:Highmast Lighting Sebokeng Zones 20	165,000	-	-		-
N:Install Standby - 30 Kva Generator Cc	150,000	-	-		-
N:Furniture For New Offices	150,000	-	-		-
N:Install Alarm System Subs. Building	100,000	100,000	-		-
R:Upgrade 11kv Transformers In Boipatog	100,000	100,000	72,281	- 28%	72,281
N:Communication Equipment	100,000	-	260		260
N:It Equipment For New Appointments	75,000	-	-		-

Electricity: Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
O:Repl 33kv Circuitbreakers	-	1,141,000	-		-
O:4ways Kiosk 11kv Beethoven St	-	385,965	274,758	-29%	274,758
O:Install 11kv Cable Vrg130 & Vrg125	-	335,088	-		-
O:Add 11kv Supply Bedworthpark	-	172,000	-		-
O:Replacement Transformers	-	5,200,000	2,788,126	-46%	2,788,126
N: Consulting Services	-	750,000	-		-
R:Kanana Area Lighting	-	871,960	337,217	-61%	337,217
R:Evaton West Area Lighting	-	495,854	2,478	-100%	2,478
R:Sebokeng Ext 15 Area Lighting	-	268,294	610,597	128%	610,597
R:Sharpeville Area Lighting	-	1,611,528	876,296	-46%	876,296

The electricity capital projects are funded by Council, MIG and NEP grants. An amount of R108, 554,000 was allocated for the above projects and adjusted to R82, 955,689 during the mid-year budget review. Most of the projects were successfully completed during the financial year(including the electrification of Tshepong phase 2, installation of area lighting in Sharpeville, Evaton West, Kanana and Sebokeng Ext 15).

A total of 12 projects have already been capitalized in the asset register. The remainder of the incomplete projects is rolled over to the next financial year. The majority of the completed projects were grant funded, while the incomplete ones are mainly council funded. The cash flow and procurement challenges contributed to the delays but council has a plan to address these challenges for future project execution.

3.5.12 Overall Performance of Electricity

The Municipality executes a number of capital upgrading/refurbishment / expansion projects annually, the largest of which were the following:

Electrification of Tshepong phase 2: This project consisted of the installation of a bulk electricity supply as well as the complete internal reticulation to provide electricity to 1400 low cost houses. Area lighting was also installed as part of this project. The total project cost was approximately R32m and was funded by both Department of Energy and the Municipality.

Installation of area lighting: An amount of R3, 2m was made available for the installation of high mast lights in the areas of Sharpeville, Evaton West, Kanana and Sebokeng Ext 15. The project was funded by MIG and 12 high masts were installed and connected to the electricity network by the end of the financial year.

Unforeseen network improvements: An amount of R6m was allocated for the extension and/or upgrading of the electricity distribution system to accommodate the continuous demand for electricity. Funds were also allocated for the installation of split type prepayment meters to minimise the bypassing of meters by consumers and to increase the income for the sale of electricity.

Installation of Bundle conductor: an amount of R3m was made available for the replacement of old, unsafe bare overhead Low Voltage power lines. This improves the system availability, reduces outages and enhances safety for both the public and personnel.

Demand side Management: A grant to the amount of R8m was made available by the Department of Energy for the installation of low energy consuming lighting. Projects were awarded for the replacement of street lighting, office lighting as well as the installation of solar powered power supplies for traffic lights. These projects were completed during 2012/13.

Strengthening of 11kV bulk supply to Sonland Park: An amount of R3, 5m was made available for the installation of an additional 11kv bulk supply cable to the Sonland Park /Falcon Ridge area to improve the availability of electricity under all conditions.

Electricity Complaints: 10 664 Complaints were received during 2012/13 of which 99.7% was finalised within 24 hours after receiving the complaint.

Equipment failures: A number of power failures were the result of the failure or breakdown of strategic equipment such as power transformers and associated switchgear. The failure of this equipment can be associated with age as well as vandalism and theft of infrastructure components.

Challenges:

- Ageing infrastructure
- Available capacity in certain sections of the electricity network
- Continuous theft and vandalism
- Scarce resources especially suitably equipped vehicles

3.6 WASTE AND LANDFILL

Residential waste is collected once a week to a total of 188,254 (84.97%) formal households being serviced on a sustainable curbside weekly basis. This is in line with the National Environmental Management Waste Act (Act 59 of 2008) and National collection Standards for weekly household collection services.

3.6.1 Service delivery priorities

- Sustainable weekly household collection services decreased slightly from an average of 85.30% (2011/2012) to 84.97% in the 2012/2013 financial year. This can largely be attributed to the limitation of resources experienced.
- In terms of the reduction of waste strategy, the Municipality is shredding all bulky greens received at the 4 mini dump/transfer stations in Vereeniging. A total 3,907 tons were disposed at a composting area (Waldrift Landfill site for the 2012/2013 financial year).
- A total of 145,115m³ of waste from illegal dumps was removed from the 45 wards for 2012/2013 as opposed to 142 000m³ removed in the 2011/12 financial year which represents an increase of 8.89%.

Service Delivery Levels

Solid Waste Service Delivery Levels				
Description	Households			
	2009/10/01	2010/11	2011/12	2012/13
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Solid Waste Removal:</u> (Minimum level)				
Removed at least once a week	165,656	174,217	174,904	188,254
<i>Minimum Service Level and Above sub-total</i>	165,656	174,217	174,904	188,254
<i>Minimum Service Level and Above percentage</i>	84.7%	86.3%	94.7%	85.3%
<u>Solid Waste Removal:</u> (Below minimum level)				
Removed less frequently than once a week				
Using communal refuse dump	30,000	27,581	9,800	32,360
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
<i>Below Minimum Service Level sub-total</i>	30,000	27,581	9,800	32,360
<i>Below Minimum Service Level</i>				14.7%

<i>percentage</i>				
Total number of households	196	202	185	221

3.6.2 Service Delivery Levels below Minimum

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Households					
	2009/10	2010/11	2011/12	2012/13		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	165,656	165,656	165,656	174,217	174,217	188,254
Households below minimum service level	30,000	27,581	27,581	0	0	0
Proportion of households below minimum service level	18%	17%	17%	0%	0%	0%
Informal Settlements						
Total households	199,656	199,590	199,590	201,798	201,798	220,614
Households is below minimum service level	30,000	27,581	27,581	26,894	26,894	32,360
Proportion of households below minimum service level	15%	14%	14%	13%	13%	15%

3.6.3 Waste and Landfill Management: Service Delivery Budget Implementation Plan

Waste and Landfill Management Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Quality rendered, accessible, sustainable and reliable municipal services	% Households with access to basic level of waste removal	-	-	90%	100.00%	% Households with access to basic level of waste removal
	% Implemented waste collection schedule	-	-	90%	84.97%	% Implemented waste collection schedule
	% Removed illegal waste dumps	-	-	90% within 20 working days	30.72%	% Removed illegal waste dumps
Provision of weekly collection service per household (HH)	Reduction in annual weekly failures to reduce backlogs of weekly household collection programs	100% compliance to weekly collection schedule	90.77%	90%	72.67%	90%
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage	To years of unused landfill capacity available (not measured)	A0 years of unused landfill capacity available (not measured)	T1 years of unused landfill capacity available (20 years)	A1 years of unused landfill capacity available (18.33 years)	T2 years of unused landfill capacity available (15 years)

3.6.4 Employees: Waste and Landfill

Employees: Waste and Landfill					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	4	4	3	3	75%
4 to 6	14	9	6	3	33%
7 to 9	37	16	14	2	13%
10 to 12		70	65	15	21%
13 to 15	112	23	18	5	22%
16 to 18	627	354	324	40	11%
Total	794	476	430	68	14%

3.6.5 Waste and Landfill: Financial Performance

Waste and Landfill Site: Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	110,794,002	145,714,000	151,240,968	140,140,747	-7%
Expenditure:					
Employees	65,420,631	66,637,812	62,815,736	65,592,620	4%
Repairs and Maintenance	845,358	53,813	17,343	6,916	-60%
Other	80,146,282	75,636,370	49,669,742	25,489,214	-49%
Total Operating Expenditure	146,412,271	142,327,995	112,502,821	91,088,750	-19%
Net Operational (Service) Expenditure	(35,618,268)	3,386,005	38,738,147	49,051,997	27%

3.6.6 Waste and Landfill Site: Capital Expenditure

Waste and Landfill Site : Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value
Total All	35,250,000	5,732,350	2,413,034	-58%	2,413,034
N:Est Washbay& Pave Sebokeng Waste Area	1,500,000	-	-		-
R:Const. Palmsprings Landfill Site	-	5,200,000	2,303,354	-56%	2,303,354
R:Dev 5 TrfVdbp;V/Oewer; Sbk&S/Ville	-	532,350	109,680	-79%	109,680
N:Investigate &Dev New Gen Landfil Site	32,250,000	-	-		-
N:Const S/W Channels 4 Waldrift Landfil	1,500,000	-	-		-

The table above depicts waste and landfill site services capital expenditure. An amount of R32, 250,000 was allocated for the above projects and adjusted to R5, 732,350 during the mid-year budget review. A total of R 2,413,034 was spent which brings the expenditure to 42% of the Adjusted budget. There was a 75% cut of the waste and landfill site projects, which cut three of the original four projects during the adjustment budget.

This was a result of readiness for implementation and their criticality for the current financial year. During the adjustment budget ,two projects were introduced which were a priority for the financial year. These projects were the Palm springs landfill sites and the development of 5 landfill sites. The PalmSprings landfill sites was massively affected by the 30% empowerment appointment process which delayed the project and negatively affected implementation. Out of the projects listed above, the Palmsprings Land fill site is 80% complete. The transfer station project will be rolled over to the new financial year.

3.6.7 Overall Performance of Waste and Landfill

Waste Collection: Kerbside weekly collection of household waste was removed from a total of 188,254 within the urban edge. This represents an increase of 8.14% (174,083 households) in the 2011/2012 financial year. This is mainly as a result of the extension of waste removal to newly developed areas and the adoption of the results of the 2011 Census that was undertaken (SA Statistics). The implementation of the Expanded Public Work Programme (EPWP) resulted in the sustenance of the weekly collections indicated above for the year under review.

Landfill sites: In terms of the total reduction of the general waste stream, 19.17% of the waste accepted at the operational landfill sites, equipped with weighbridge facilities (Boitshepi and Waldrift), reclaimable material either by greens or material re-claimed at site that was not landfilled. Palm Springs landfill site waste streams will also

be measured, once the facilities are fully constructed and the site is managed on a daily basis to record the incoming waste stream.

Estimated life span of three operational landfill sites:

Based on the formal valuation of the Auditor General requirements for all landfill sites, the extent and volume of waste in place and the remaining available airspace was determined by a topographical survey. The airspace modeling was based on the end shape model based on approved permits for the individual landfill sites and the estimated calculation conclusion for the respective operational landfill sites are as follows:

- Boitshepi Landfill site calculated lifespan to final closure: 6 years
- Palm Springs Landfill site calculated lifespan to final closure: 23 years
- Waldrift Landfill site calculated lifespan to final closure: 17 years.

Composting: A total of 3,907 tons of greens were transported to the composting plant located at the Waldrift Landfill site during the 2012 / 2013 financial year. The compost created at this plant is only regarded as a low grade due to the fact that no organic material such as sewerage sludge can be utilised as the composting site is not developed in terms of legislation to manufacture a higher grade of compost. The compost is therefore only suitable to utilise as final cover material for rehabilitation of completed landfill slopes and a limited use of development of parks, provided that the material can be sifted before final use. The utilization of compost material is used as a final cover to rehabilitate the landfill site.

Reduction of Waste to landfill sites: In line with the national objective of reducing waste to landfill sites, a total reduction of 9.86% waste collected was diverted from landfill site disposal in 2011/2012 financial year. Plans are underway to implement a waste to energy plant within the next five years which will reduce our carbon foot print and eliminate greenhouse gas emissions.

The percentage achieved was due to the following factors:

- Education and awareness of recycling and minimisation of waste at community level;
- Implementation and continuation of the 'Bontle Ke Botho' principles implemented at schools and respective wards contributed;
- Formalised waste re-claimers at both the Boitshepi and Waldrift Landfill sites;
- The bulky green waste taken out of the formal waste stream, shredded and transported to the composting facilities;
- Private business / companies also achieving a percentage of savings on their respective waste streams due to ISO 1400 principles implemented. However, this is difficult to measure as no percentage of waste reduction is recorded at municipal level.

Highlights

- An average of 19.17% waste stream was reduced during the 2012/2013 as opposed to 10% achieved in the 2011/2012 financial year. This can largely be contributed to the chipping and transporting of bulky greens received at the 4 mini dump transfer stations in the Vereeniging region and greens emanating from the Boitshepi and Waldrift landfill sites.
- The 'Bontle Ke Botho' program driven in conjunction with the Municipality and Gauteng Department of Agriculture and Rural Departments (GDARD) during the 2012/2013 financial year. This program was introduced to wards and schools to mainly achieve education and reduction in environmental

degradation and pollution. A total of R455 000 in prize money was awarded to 5 wards and 6 schools at local level. In addition to this, ELM was elected as the winner of the 2012/13 financial 'Bontle Ke Botho' program for Gauteng and will be taking part in the National Clean and Green competition for the 2013/2014 financial year.

- A total of 154,623 m³ (119% of annual estimate) of waste was removed in all 45 wards in a continuous clean up removal programme.

3.7 FREE BASIC SERVICES

Section 96 of the Local Government Municipal Systems Act, 2000 (Act No 32 of 2000) compels a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy. Section 97 of the Systems Act further prescribes that such a policy makes for provision for indigent debtors congruent to its rates, and tariff policies and any national policy on indigents.

The provision of Free Basic Services are funded by National Government and Municipalities are then tasked to roll out this service to beneficiaries in terms of a funding agreement. In light of the above, the ELM approved a resolution within which the legislative mandate can be exercised and provision of the financial aid is made to indigent and poor households in respect of their municipal account. The following diagram portrays the number of households benefitted on the ELM indigent programme:

Financial Year	Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
	Total	Access	%	Access	%	Access	%	Access	%
2011/12	37396	35050	0.94	34898	0.93	205	0.01	34432	0.92
2012/13	40019	39060	0.98	37773	0.94	708	0.02	36492	0.91

3.8 ROADS AND STORM WATER

Roads and Stormwater department is responsible for planning, providing and maintaining ELM Roads and Stormwater infrastructure. The unit consists of planning and operation functions.

The planning function is responsible for the development, implementation and management of various electronic management systems and master planning for all roads infrastructure. This division is also responsible for the implementation of capital projects, administration of the capital budget and approval of applications for new development.

The operation function is responsible for the maintenance of asphalt roads, gravel roads, traffic signs and markings. There are three (3) maintenance depots which are situated in Vanderbijlpark, Vereeniging and Sebokeng. These depots are responsible for the cumulative maintenance of 1 510 km of asphalt roads, 1 045 km gravel roads, 158 445 m² road markings and 14 602 number of road signs in order to provide a functional road network.

Other functions:

- To ensure the safety of human life and properties, as well as ensuring infrastructure for economic development through the provision of a functional road, road traffic sign network and stormwater;
- To ensure that the services are provided in an equitable, affordable and sustainable manner;
- To ensure that planning of developments in the area comply with regulatory and legislative framework in terms of Acts, by-laws and local standards;
- Planning and designing of new roads, Construction of new tarred and gravel roads, Maintenance of existing tarred and gravel roads; and Evaluation of Town Planning applications.

3.8.1 Gravel Road Infrastructure

Gravel Road Infrastructure				Kilometres
	Total Gravel Roads	New Gravel Roads Constructed	Gravel roads upgraded to asphalt	Gravel roads graded/maintained
2010/2011	1959	601	7.01	1358
2011/2012	835	345	5.04	490
2012/2013	229	14	14.0	215

In the past 3 years starting from the 2010/11 financial year and ending in the 2012/13 review period, the development and maintenance of the gravel road network was done as indicated below:

- A total of 960 kilometres (km) of New Gravel Roads were constructed.
- A total of 26.05 kilometres (km) of Gravel Roads were upgraded from gravel to asphalt surface.
- A total of 2063 kilometres (km) of existing Gravel Roads were maintained.

3.8.2 Asphalted Road Infrastructure

Asphalted Road infrastructure					
Kilometres					
	Total Asphalted Road	New Asphalt Roads	Existing Asphalt roads retarred	Existing Asphalt roads reasphalted	Asphalt roads maintained
2010/2011	50	25	0		25
2011/2012	49	0	75		49
2012/2013	67	25	12		30

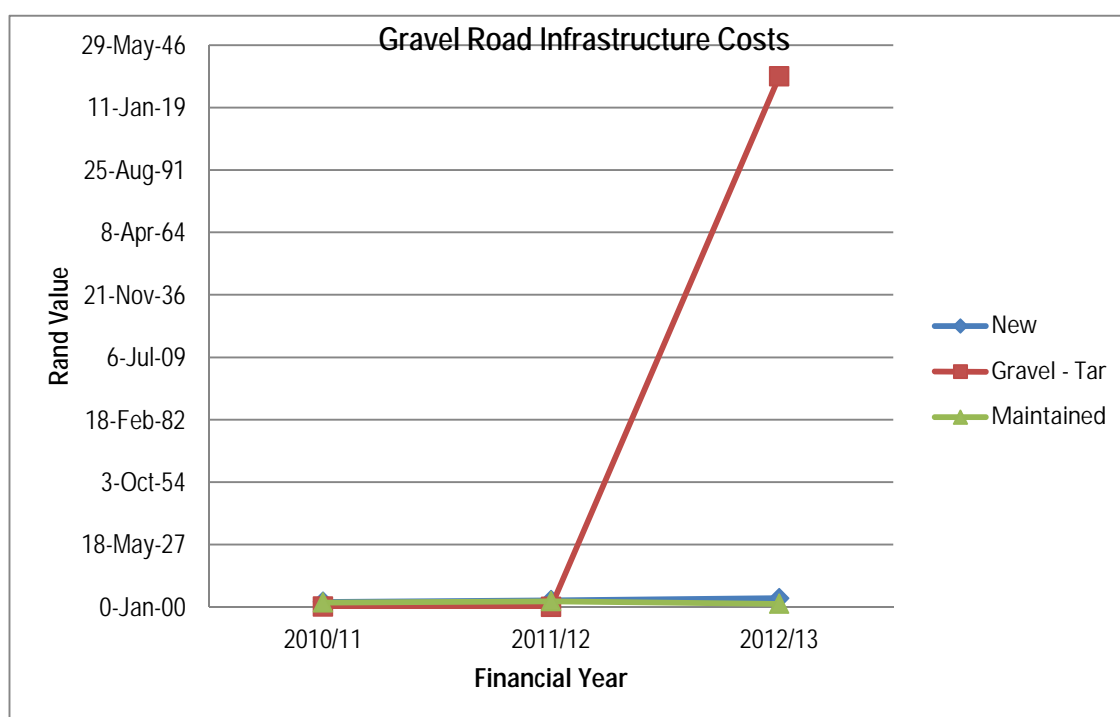
In the past 3 years starting from the 2010/11 financial year and ending in the 2012/13 review period, the development and maintenance of the asphalt road network was done as indicated below:

- A total of 50 kilometres (km) of New Asphalt Roads were constructed.
- A total of 87 kilometres (km) of Asphalt Roads were re-asphalted.
- A total of 104 kilometres (km) of existing Asphalt Roads were maintained

3.8.3 Gravel Roads - Cost of Construction/Maintenance

Asphalted Road infrastucure Kilometres			
	New	New	Maintained
2010/2011	820	33	703
2011/2012	1069	24	918
2012/2013	1400	84 964	509

The information on table above shows the expenditure on the Construction and Maintenance for gravel roads during the past 3 years.



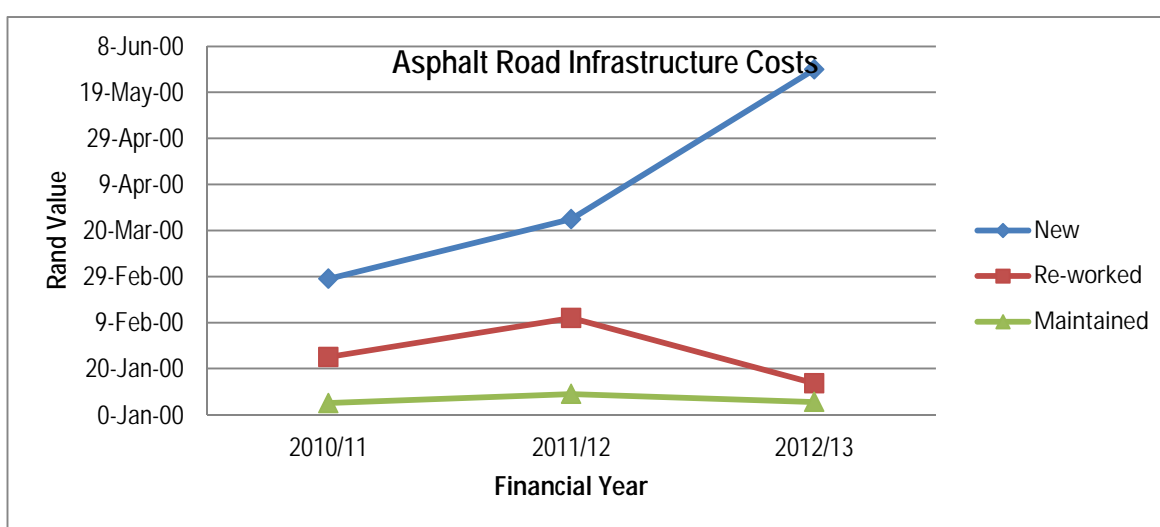
In the 2010/11 financial year an amount of R820 000 was spent in the construction of New Gravel Roads. In 2011/12 the expenditure increased by 30.4% to R1 069 000.00 and in 2012/13 the expenditure was R1 400 000.00 which represented an increase of 31% from the past financial year (2011/12).

In the 2012/13 financial year the expenditure of upgrading roads from Gravel to Asphalt was R 84 964 000.00 which far exceeds the expenditure on the past two financial years. The cost of maintenance has substantial decrease from the R918 000.00 in 2011/12 to R509 000.00 in 2012/13 financial year.

3.8.4 Asphalt Roads – Cost of Construction /Maintenance

Asphalt Roads- Cost of Construction /Maintenance			R'000
2010/2011	59	25	5
2012/2012	58	42	9
2012/2013	150	14	6

The expenditure on newly constructed asphalt roads on the 2010/11 financial year was R 58 705 000.00 which includes ELM funding that increased by 45% to R 85 160 000.00 on the 2011/12 financial year. There was improvement in the following financial year (2012/13) which resulted within increase of 207% to a total expenditure of R 150,000 000.



The total amount spent on reworked asphalt pavements in 2010/11 financial year was R 25 398 000. 00. On the 2011/12 financial year the expenditure increased significantly by over 67, 7% to R 42 580 000. 00. The 2012/13 expenditure decreased 68, 1% from the 2011/12 expenditure to R 13,600 000.00.

3.8.5 Roads: Service Delivery Budget Implementation Plan

Roads: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
	Quality rendered, accessible, sustainable and reliable municipal services					
	Kms Repaired tar roads	54.8	49	-	-	Kms Repaired tar roads
	M ² Repaired tar roads	-	-	15 000	35 822	M ² Repaired tar roads
	KmsGraded gravel roads	1027	835	72	1592	KmsGraded gravel roads

3.8.6 Employees: Roads

Employees: Roads					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	3	3	0	3	100%
4 to 6	17	17	12	5	29%
7 to 9	42	45	14	31	69%
10 to 12	120	137	39	98	72%
13 to 15	70	70	9	61	87%
16 to 18	537	546	116	430	79%
Total	789	818	190	628	77%

3.8.7 Financial Performance: Roads and Storm Water

Roads and Stormwater : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Employees	45,793,614	47,348,899	46,226,683	46,804,309	1%
Repairs and Maintenance	62,183,667	51,171,910	28,481,114	26,550,724	-7%
Other	5,825,552	13,895,167	14,689,732	11,191,153	-24%
Total Operating Expenditure	113,802,833	112,415,976	89,397,529	84,546,187	-5%
Net Operational (Service) Expenditure	(113,802,833)	(112,415,976)	(89,397,529)	(84,546,187)	-5%

3.8.8 Roads And Stormwater : Capital Expenditure

Roads And Stormwater : Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
Total All	38,325,947	106,300,449	109,194,807	3%	95,411,986
N:Eatonside Ward 39 Cinderella Rd	3,271,930	2,600,000	2,167,572	-17%	2,167,572
N:Rus-Ter-Val Ward 21 Sonneblom Road	1,165,625	325,000	1,274,131	292%	1,274,131
N:Rus-Ter-Val Ward 21 Madeliefie Road	2,039,844	650,000	1,855,261	185%	1,855,261
N:Rus-Ter-Val Ward 21 Krisant Road	1,733,867	325,000	-	-100%	-
N:Const. Rd; S/W Infrastr @ Thomas Nkobi	7,995,346	5,495,250	2,765,971	-50%	2,765,971
N:Construction Of Street P1 Sebokeng	4,168,772	5,419,403	925,847	-83%	925,847
N:Const Nguna& U Str(Sebokeng Zone7)	4,701,054	4,996,078	3,829,503	-23%	3,829,503
N:Const Of Street S1 In Sebokeng Zone 14	2,744,953	3,562,000	286,946	-92%	286,946
N:Const Str R1 In Sebokeng Zone 16	4,921,831	3,967,909	272,812	-93%	272,812
N:Const PotlakoLeballo St (Bophe.Ext9)	5,582,725	4,686,471	3,376,630	-28%	3,376,630
N:Stormwater Canal In Zone 17	-	1,040,000	4,433,634	326%	4,433,634
R:Ward 42 Emanzini-Ester Mazibuko R59	-	390,000	-	-100%	-
R:Stormwarer Canal In Zone 10	-	3,900,000	5,106,221	31%	5,106,221
R:Debonair Park Drainage System	-	1,950,000	20,447,828	949%	20,447,828
R:Const. Of Lind Avenue	-	650,000	-	-100%	-
R:Beverly Hills S/W Management Plan	-	1,950,000	5,710,759	193%	5,710,759

Roads And Stormwater : Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
R:Upgrade Of Klip River Drive West	-	3,250,000	1,716,390	-47%	1,716,390
R:Upgr. Gen Hertzog From Nile-Moribo St	-	317,850	13,782,819	4236%	13,782,819
R:Upgr Gen Hertzog;Nile;Bashee St Inters	-	130,000	-	-100%	-
R:Retarring Of Lake Street	-	121,550	-	-100%	-
R:Plan;Design Michigan St Evaton North	-	204,750	1,958,051	856%	1,958,051
R:Plan;Design Sekhukhune St Boipatong	-	325,000	3,742,510	1052%	3,742,510
R:S/W Canal Nelson Mandela Square	-	260,000	-	-100%	-
R:Hawk Street From Eagle To Eagle	-	3,573,297	2,394,122	-33%	2,394,122
R:Feasibility-25ave; H Suzman;Mohayi;Xum	-	650,000	-	-100%	-
R:Feasibility-Alabama;Dona;Glasgaw;St 2&	-	1,560,000	109,325	-93%	109,325
R:Plan;Design Bishop Bird St In P/Spring	-	3,900,000	-	-100%	-
R:Plan;Design Dan Mofokeng St Bophelong	-	1,877,857	1,325,479	-29%	1,325,479
R:Plan;Design Albert Luthuli St Bophelon	-	4,000,000	1,467,933	-63%	1,467,933
R:Plan;Design MatholeMotshega St Bophel	-	5,000,000	2,201,794	-56%	2,201,794

Roads And Stormwater : Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
R:Plan; Design Harry Gwala St Bophelong	-	650,000	-	-100%	-
R:Ward 19 Motsamai Street In Evaton	-	1,381,813	-	-100%	-
R:Ward 24 Manepe Street Evaton West X11	-	204,090	-	-100%	-
R:Ward 29 Milner Street In Evaton	-	828,855	-	-100%	-
R:Ward 2 R/Sw House 20505-20590 Z14	-	1,820,013	2,553,538	40%	2,553,538
R:Ward 30 N1 Road In Zone 14	-	660,132	647,314	-2%	647,314
R:Ward 32 Repairing Lerothodi St Z13	-	482,150	9,697	-98%	9,697
N:Road F	-	1,950,000	1,896,949	-3%	1,896,949
N:Rathebe Street	-	1,950,000	1,658,785	-15%	1,658,785
N:Mohale Street	-	1,950,000	1,216,324	-38%	1,216,324
N:Mampoi Street	-	1,950,000	1,303,648	-33%	1,303,648
N:Maqoma Street	-	1,950,000	788,697	-60%	788,697
N:Ladzide Street	-	1,950,000	893,335	-54%	893,335
N:Road 23	-	1,950,000	2,170,050	11%	2,170,050
R:Street 1 @ Zone 3 (Ward 42)	-	650,000	21,538	-97%	21,538
R:Main Rd From K11 To Main Road	-	6,314,000	8,602,972	36%	8,602,972
R:Springbok Road Rus-Ter-Vaal (Fs3)	-	4,124,198	3,117,704	-24%	3,117,704
N:Thema St Bophelong Paving Sidewalks	-	786,220	621,906	-21%	621,906
N:Vilikazi St Bophelong Paving Sidewalks	-	706,444	266,352	-62%	266,352
N:Mohayi St Bophel Paving Sidewalks& S/W	-	683,614	864,372	26%	864,372

Roads And Stormwater : Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjusted Budget	Total Project Value
N:Mamelodi St Boipatong Paving S/Walks	-	346,176	182,300	-47%	182,300
N:Moshoeshoe St B/Tong Pave S/Walks;S/W	-	511,453	244,738	-52%	244,738
N:Malebogo St Sect1 B/Tong Pave S/Walks	-	679,974	214,241	-68%	214,241
N:Malebogo St B/Tong Rd S/Walk Pave;S/W	-	1,743,902	466,115	-73%	466,115
N:Road Sv99 Sharpeville Rd S/Walk Pave;S/	-	3,000,000	302,692	-90%	302,692

The Municipality takes about 60% of the Municipal Infrastructure Grant (MIG) with an effort to address roads & storm water backlogs. A budget of R38, 325,947 was allocated for the above projects and adjusted to R106, 300,449 during the mid-year budget review. A total of R109, 194,807 was spent, which brings the expenditure to 103% of the Adjusted budget.

There are a number of successfully completed projects during the financial year, namely: Cinderella road in ward 39; Sonneblom in ward 21; Madeliefie road in ward 21; Ward 21 Krisant Road, Road & Storm water house 20505-20590 in Zone 14 ward 2 (Cell C) and Lerothodi street in Zone 13, ward 32. The remainder of the projects will be rolled over to the following financial year.

3.8.9 Overall Performance of Roads

The performance in terms of financial resources was achieved, as all the projects were completed. The Flag Ship Area, 3 projects, second phase continuation has been completed; the projects were migrated from ELM to MIG funded projects. Implementation is in line with original pricing schedule. Flag Ship Area, 2 projects have commenced in the 2012/2013 year.

Pre-planning of a total of 13 outer year projects was also completed to improve implementation turn -around time. Finally it is worth mentioning that ELM mandate does not vehicle licensing and public bus operation. The transport related services provided by ELM are reported as components of Public Safety and Community Service within the traffic operations.

3.9 STORMWATER SERVICES

The Road and Stormwater Department is responsible for the development, implementation and management of various electronic management systems and master planning for all roads infrastructure. This division is also responsible for the implementation, administration of capital projects, and approval of applications for new developments in the area. The unit must also ensure safe storm water and drainage environment. Other objectives include the provision of new storm water and replacement of broken storm water pipes and cleaning of blocked storm water pipes.

The Roads and Storm water Section has three (3) maintenance depots which are situated in Vanderbijlpark, Vereeniging and Sebokeng. Cumulatively they must maintain the following: storm water pipes (2 562 km of kerbing), 40.5 km open gravel channels, 19.7 km concrete canals, 9 629 catch pit units, 3 767 manhole and junction box units, in order to provide a functional roads and storm water network.

As part of the achievements, additional excavators were procured on as and when required to clean earth open channels to improve the drainage capacity of the system and reduce flooding of properties during the minor event. Various gravel channels were also improved on its functionality by chemical vegetation control increasing the capacity of these systems. The department also embarked on the pre-planning of storm water related infrastructure for the worse affected areas during major events to provide and improve bulk infrastructure capacity in these systems. Due to backlogs and constraints like manpower, funding and fleet, maintenance teams are mainly involved with re-active maintenance with a small portion of preventative maintenance via an annual reseal program.

3.9.1 Stormwater Infrastructure

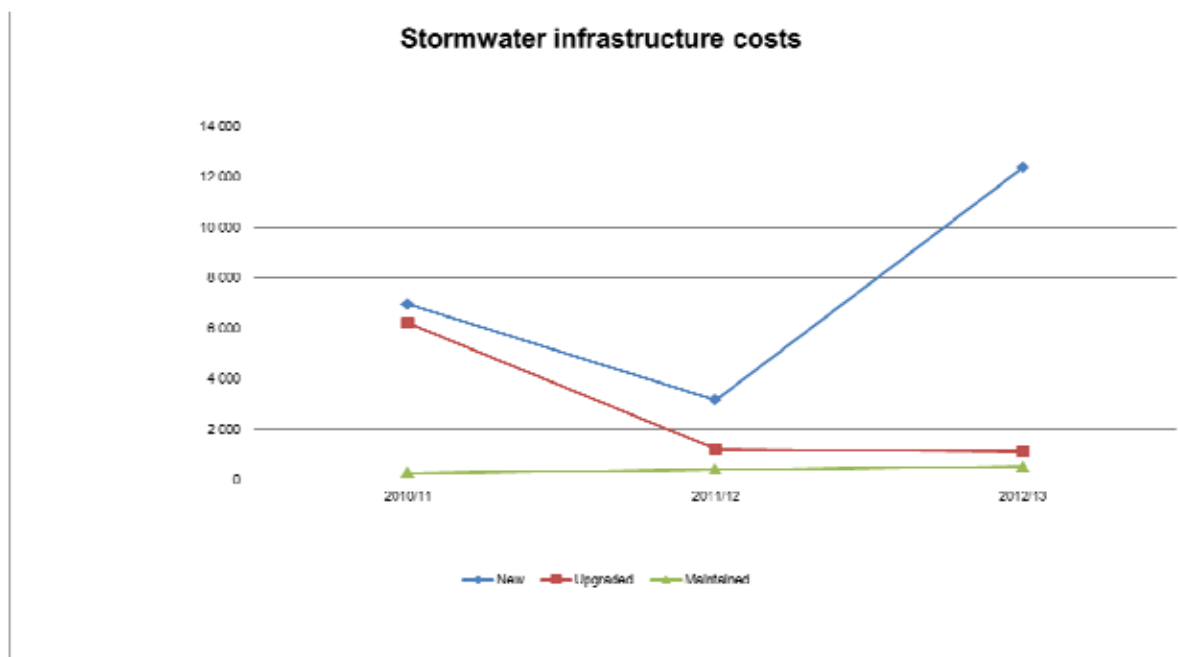
Stormwater Infrastructure				Kilometres
	Total Stormwater Measures	New Stormwater Measures	Storm Measures upgraded	Stormwater Measures Maintained
2010/2011	107 512	4 796	0	102 719
2011/2012	57 064	2 064	0	55 000
2012/2013	78 950	8 250	0	70 700

A total of 15.11 km of storm water to the value of R22 495 000.00 was built in the past 3 years.

3.9.2 Cost of Construction/Maintenance

Stormwater Measures			
	New	Upgraded	Maintained
2010/2011	6 950	6 222	279
2011/2012	3 170	1 233	402
2012/2013	12 375	1 134	523

3.9.3 Storm water Infrastructure Costs



The expenditure on new stormwater on the 2010/11 financial year was R 6,950 000.00 and decreased to R 3,170 000.00 on the 2011/12 financial year.

Not much upgrading in terms of replacing pipes, catch pit and channeling was done in 2011/12 hence the decrease to the value of R1,233 000.00 compared to R6, 222 000 of year 2010/11. In 2012/2013 there was very little new installations and upgrading.

3.9.4 Storm Water: Service Delivery Budget Implementation Plan

Storm Water: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Quality rendered, accessible, sustainable and reliable municipal services	Meters Cleaned stormwater pipes and channels	-	-	12 000m	19 516m	Number of kmsCleaned stormwater pipes and channels
	KmsCleaned stormwater pipes and channels	72.4 km	54km	-	-	Number of km Implemented stormwater infrastructure cleaned

3.9.5 Employees: Storm Water

Employees: Storm Water					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 to 6	3	3	2	1	33%
7 to 9	6	2	0	2	100%
10 to 12	75	59	8	51	86%
13 to 15	28	28	6	22	79%
16 to 18	488	480	71	419	87%
Total	600	572	87	495	87%

3.9.6 Overall Performance of Storm Water

The Flag Ship Area 3, projects second phase, continuation has been completed, but was delayed due to migration of the projects from ELM to MIG funded projects. Implementation was in line with original pricing schedule. Flag Ship Area 2 projects have commenced in the 2012/2013 year due to the late approval of Business Plans. Implementation of Master Plan Projects by securing planned road servitudes has started.

Furthermore ELM has appointed a service provider to consolidate all storm water Master Planning so as to improve the backlogs and the Master Plan was completed by the end of June 2013. The estimated figures of backlogs will be revised once the Master Plan has been completed.

Some of the challenges are as follows:

- Capacity to carry out on-going analysis and research which cannot be outsourced;
- Lack of design capability;
- Ageing infrastructure; and
- Rapid development of formal and informal settlements which results into traffic increases on our roads, and increases roads, backlog.

Moving forward, ELM intends to establish a dedicated Traffic Engineering Section within Roads and Storm water department with the purpose of improving service delivery levels in the area. Block Development of Roads and Storm water provision.

Gravel to Formal services

Improving Operational Service Delivery through utilization of Expanded Public Work Programme (EPWP) to address Operational Backlogs through Public Private Partnerships and development of Small Medium Micro Enterprise (SMMEs).

ECONOMIC DEVELOPMENT PLANNING

3.10 INTRODUCTION

EDP consists of five departments, namely, Properties, Housing, Land Use Management, Local Economic Department and Building Control. Its primary function is to facilitate economic development, integrated planning and the development of the area.

3.11 HOUSING

The Housing Department is committed to the delivery of diversified habitable houses, with all social amenities in a secure and development friendly environment. The Department provides the following services:

- Rental accommodation
- Eradicating informal settlements by 2014 – through the provision of proclaimed townships, with serviced stands and houses;
- Identifying suitable land for the establishment of new housing projects to reduce the housing backlog on the Gauteng Waiting list;
- The following housing units will be transferred to the tenants/purchasers through the Retro Programme;
 - Leeuhof Extension 1;
 - Sonhof Flats;
 - Low cost housing units in Vanderbijlpark; and
 - Housing units in Rust-ter-Vaal

3.11.1 Percentage of Household

Year end	Percentage of households with access to basic housing		
	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2009/10	50726	9735	80%
2010/11	52571	9735	81%
2011/12	53474	8526	84%
2012/13	53058	7318	86%

3.11.2 Housing: Service Delivery Budget Implementation Plan

Housing: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
United, non-racial and integrated community		Previous Year	Previous Year	Current Year	Current Year	Following Year
	Formalization of informal settlements	No target	-	Formalization of 4 informal settlements	1 Informal settlement – formalized	Formalization of 2 informal settlements
	Development of the Sebokeng Hostel	No target	-	Completion of 132 units	121 units	Building of 111 units (of which 100 is additional to the outstanding 11 units)
	Development of Kwa-Masiza Hostel	No target	-	Completion of infrastructure	Completed	Refurbishment of 672 units

3.11.3 Employees: Housing

Employees: Housing					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No	No.	No.	%
0 to 3	0	2	2	0	0%
4 to 6	0	17	13	4	24%
7 to 9	0	2	0	2	100%
10 to 12	0	11	6	5	45%
16 to 18	0	8	0	8	100%
Total	0	40	21	19	48%

3.11.4 Housing : Financial Performance

HOUSING : FINANCIAL PERFORMANCE					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	8,754,619	9,768,717	9,768,717	7,921,229	-19%
Expenditure:					
Employees	8,618,030	8,671,123	8,577,305	8,950,163	4%
Repairs and Maintenance	90,510	3,158,750	134,000	56,710	-58%
Other	10,593,039	5,394,011	7,010,048	6,231,634	-11%
Total Operating Expenditure	19,301,579	17,223,884	15,721,353	15,238,507	-3%
Net Operational (Service) Expenditure	(10,546,960)	(7,455,167)	(5,952,636)	(7,317,278)	23%

3.11.5 Overall Performance of Housing

The following Informal Settlements have already been relocated to new housing projects:

- Iron Side Industry, Lybia, Sebokeng Ext 24, Polomiet New Village, Winnies Park, Zone 17, Tshepiso, Boipatong Informal, Powerville Park, Sharpeville Area, Waterdal and Sonderwater

Distribution of title deeds to communities on all pre-1994 Housing Developments has achieved the following:

Distribution of title deeds:

Township	Claimed properties	Registered	Not yet
			issued/Adjudication
Boipatong	1803	1782	21
Bophelong	1318	1306	12
Sebokeng unit 11	2231	2213	18
Sebokeng unit 12	3237	3166	71
Sebokeng unit 13	4897	3732	1162
Sebokeng unit 14	2147	2097	50
Sebokeng unit 3	2651	2543	108
Sebokeng unit 6 ext 1	33	24	9
Sebokeng unit 6 ext 2	50	38	12
Sebokeng unit 6 ext 5	216	198	18
Sebokeng unit 7	3962	3712	250
Sebokeng unit 8	466	447	19
Sharpeville	5050	4535	515
Sharpeville ext 1	1805	1514	291
TOTALS	29877	27318	2556

Future endeavors

- Housing programmes are done by Gauteng Department of Local Government and Housing. A land availability agreement is in the process of being finalized.
- Approval of:
 - by-laws on the management and control of Council owned flats and administered by Housing Department
 - by-laws on the management and control of informal settlements within the jurisdiction of Emfuleni Local Municipality and;
 - by-laws on the management and control of hostels and administered by Housing Department.

Challenges

- *Land Invasions:* Land invasions in Council's area of jurisdiction are one of the major stumbling blocks regarding the provision of housing. The Premier of Gauteng envisages the eradication of all informal settlements by 2014. This will only be possible if drastic measures are put into place to contain further squatting.

The following should be noted:

- *Land invasions* are taking place in or near the vicinity of identified housing projects.
- *Deaths:* Deaths negatively impact on the administration of housing. Stands in housing projects are transferred into the names of beneficiaries with approved subsidies. Frequently beneficiaries die before the transfer of the stand into his/her name is finalized.
- *Land availability:* Council-owned land, suitable for housing projects, is inadequate and, in most cases, land must be purchased from private land owners. This delays the planning and implementation of new housing projects.

3.12 LAND USE MANAGEMENT AND PLANNING

Land Use Management functions, namely Land Use, Spatial Planning, Law Enforcement and Geographic Information System (GIS). This function is responsible for evaluating and processing of received development applications (re-zonings, consent uses, township establishments, removal of restrictive conditions of title, subdivisions, divisions of land, site development plans, building plans and other development planning related applications).

Spatial Planning deals with the production of various land development policies such as local spatial development plans, precinct plans, urban renewal strategies and growth development strategies to guide public and private investments.

Geographic Information System (GIS) Function – is designed for capturing, storing, ascertaining, integrating, manipulating, analysing and displaying data spatially referenced to the earth. The primary function of GIS includes converting technically encoded data into usable information accessible to officials, councillors and ordinary members of the public.

Law Enforcement Function is responsible for investigating alleged transgressions of town planning schemes in operation and other planning related pieces of legislation.

3.12.1 Applications for Land Use Development

Detail	Formalization of Townships		Rezoning	
	2011/12	2012/13	2011/1	2012/1
			2	3
Planning application received	3	2	93	97
Finalization made in year of receipt	1	0	49	40

Applications to be finalized in the following year	1	0	35	27
Applications withdrawn	1	0	49	15
Applications outstanding at year end	1	0	60	15

The Emfuleni Local Municipality received ninety-nine (99) development applications including two (2) applications for the formalization of townships and ninety-seven (97) rezoning applications in 2012/2013 financial year. No application for formalization of township was finalized during the 2012/2013 financial year.

Forty (40) rezoning applications were finalized within 2012/2013 financial year. Twenty seven (27) applications are being processed to be finalized in the financial year (2013/14). Fifteen (15) lodged rezoning applications were withdrawn by applicants largely due to unforeseen financial implications on the part of the applicants. Fifteen (15) applications were not finalized at the end of 2012/2013 financial year primarily due to outstanding documents from applicants and outstanding comments from Gauteng Provincial Government departments.

3.12.2 Applications for Approval of Building Plans:

Detail	Applications for Building Plans Approval	
	Built Environment	
	2011/12	2012/13
Building Plan applications received for approval	1580	5539
Determination made in year of receipt	685	1198
Determination made in following year	0	0
Applications not approved	908	2819
Applications outstanding at year end	0	1522

3.12.3 Land Use Management and Planning Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
United, non- racial and integrated communities	Opening of Township registers	6 Township registers to be opened	No township registered	6 Township registers to be opened	2 township registers opened	Not reflected in the IDP but the Dept is on course to open additional four township registers.
	Review of the Spatial Development Framework (SDF)	To review the SDF	The Spatial Development Framework was not reviewed	Reviewed SDF.	Reviewed SDF 2013/14 approved by Council.	Review of the approved SDF

3.12.4 Employees: Land use management

Employees: Land Use Management					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	0	3	2	1	33%
4 to 6	0	20	15	5	25%
7 to 9	0	2	2	0	0%
10 to 12	0	5	3	2	40%

3.12.5 Financial Performance: Financial Performance

Land Use Management :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	159,326	166,888	166,888	156,457	-6%
Expenditure:					
Employees	9,576,208	10,982,831	10,730,002	10,309,197	-4%
Repairs and Maintenance	-	-	-	-	
Other	882,114	2,382,337	1,624,434	471,082	-71%
Total Operating Expenditure	10,458,322	13,365,168	12,354,436	10,780,279	-13%
Net Operational (Service) Expenditure	(10,298,995)	(13,198,280)	(12,187,548)	(10,623,822)	-13%

3.12.6 Overall Performance and Impact of Land Use Management

The existence of the SDF guided private and public sector investments and the facilitated formulation of precinct plans (Vereeniging Urban Renewal Framework; Government precinct; Old Vereeniging Hospital Precinct Development Plan; Sebokeng Nodal Precinct Plan, Evaton Eastern and Western Precinct Plans, Redevelopment using project in Vereeniging; River Front Development Plan & Vereeniging Station Precinct Plan) as well as the successful implementation of the Powerville Corridor Development (R42/Barrage Road) Plan.

Achievements

- At least two township registers were successfully opened during the course of 2012/2013 financial year. Once registers are duly opened, normal property related economic activities such as payments of rates and taxes including property transfers are easily facilitated to the benefit of the municipality and the local economy;
- During the year under review, GIS helped to uncover properties which would have been otherwise slipped through unnoticed by other asset investigating measures. Thus, resulting in increased collection of revenue by the Emfuleni Local Municipality; and
- Law Enforcement Division (Inspectorate) including investigations of alleged transgressions of the town planning schemes in operation, other planning related pieces of legislation, and promotion of remedial measures. This function succeeded in reducing erection of land uses or illegal buildings (reducing the cost on municipality infrastructure) and ensuring greater compliance with municipal by-laws regime.

3.13 LOCAL ECONOMIC DEVELOPMENT AND TOURISM

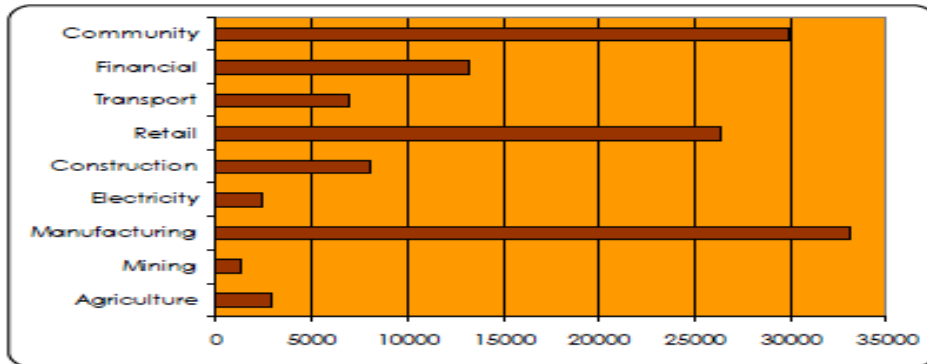
Local Economic Development functions include the creation of a conducive environment for economic development, growth and sustainability. This also includes facilitating the establishment and supporting enterprises such as SMMEs and Co-operatives. The Municipality Tourism Department manages and promotes the tourism sector in the area.

The Municipality has formed partnerships with the following organizations, AGRISETA, SEDA, Industrial Development Corporation (IDC), Tourism Enterprise Partnership (TEP), and Provincial Department of Rural Development and Land Reform. We have a partnership with Red Ants for agricultural projects geared towards alleviating poverty and assisting in creating employment opportunities. Fish and vegetable farming are projected to create employment opportunities of between 300 to 400.

Job Creation

The Municipality actively participates in National Programmes such as EPWP and CWP. These programmes have created 164 and 925 job opportunities respectively. The Municipality also supports and regulates the informal economy. It has built 10 informal trading stalls and also issued 228 informal trading permits.

3.13.1 Employment by Sector



Census, 2011

The graph above shows major employment sectors that employ residents living within ELM area. The key sectors employing the Municipal Study Area residents are the community sector, the retail sector and the manufacturing sector.

It can be assumed that the Vanderbijlpark CBD and the Vereeniging CBD contribute significantly to the community sector and retail sector statistics and that Mittal Steel and the industrial areas of Vereeniging contribute significantly to the manufacturing sector statistics. The number of people employed by the agricultural sector is surprisingly low, which suggests that the smallholdings and farms within Emfuleni are primarily used for rural residential purposes, rather than commercial farming purposes.

3.13.2 Local Economic Development and Tourism: Service Delivery Budget Implementation Plan

Local Economic Development and Tourism: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/2012		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Sustainable Livelihoods through decent employment	Approved LED Strategy	Approved LED Strategy	Target not achieved	Approved LED Strategy	Target not achieved	Approved LED Strategy
	Implement tourism initiatives	5 initiatives tourism initiateved implemented	5 initiatives tourism initiateved implemented	5 initiatives tourism initiateved implemented	7 initiatives tourism initiateved implemented	5 initiatives tourism initiateved implemented
	Implemented agricultural plan/strategy	-	-	90% of the plan to be achieved	100 % of the plan achieved	Continuous implementation of the plan

3.13.3 Employees: Local Economic Development and Tourism

Employees: LED and Tourism					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	0	3	3	0	0%
4 to 6	0	10	8	2	20%
7 to 9	0	9	3	6	67%
Total	0	22	14	8	36%

3.13.4 Local Economic Development And Tourism: Financial Performance

Local Economic Development and Tourism :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	428,886	480,284	530,284	475,752	-10%
Expenditure:					
Employees	6,089,871	6,519,867	6,274,158	6,344,257	1%
Repairs and Maintenance	-	-	-	-	
Other	636,610	2,583,804	4,592,722	1,600,177	-65%
Total Operating Expenditure	6,726,481	9,103,671	10,866,880	7,944,434	-27%
Net Operational (Service) Expenditure	(6,297,596)	(8,623,387)	(10,336,596)	(7,468,682)	-28%

3.13.5 Overall Performance of Local Economic Development and Tourism

There was no capital budget allocated to Local Economic Development function. However it managed to achieve the following:

- Allocated informal trading stalls in Vereeniging and Vanderbijlpark
- Erected ten (10) informal trading stalls in Vereeniging
- Issued Advertising permits for advertising companies within the council and the private land
- Managed to form Local Economic Development Sectoral Forums

- Engaged the Provincial Department of Economic Development (DED) to assist Emfuleni Local Municipality in terms of development of LED Strategy
- Sixty four (64) Exhibitors attended the Wedding Expo, which included exhibitions by venues, caterers, photographers, and designers. This was the first Wedding expo that was hosted in a township. The community supported the expo very well and the exhibitors had a good business spin off from the Wedding expo. The expo was attended by 1 800 people.
- Two (2) new applications for Tourism signage were received, processed and approved.

PUBLIC SAFETY AND COMMUNITY DEVELOPMENT

3.14 INTRODUCTION

The Cluster Public Safety and Community Development renders social, health, recreational, and public safety to other community development services. The Cluster comprises the following departments:

- Sport, Recreation, Arts, Culture, Library & Information Services (SRACLIS).
- Parks and Cemeteries
- Environmental Management, Health & Social Development; and
- Public Safety;

The strategic objectives of the SRACLIS is to: promote and develop arts and culture and literacy programmes; promote social integration and cohesion; utilise research, improve service delivery through development and technology. The department renders sport, recreation, arts and culture, library, and information services to the community of ELM.

The strategic objective of the Parks and Cemeteries is to provide a clean, green and liveable environment by developing and maintaining parks, cemeteries and public open spaces. This department also provides a cremation service. This specialised service has been outsourced to a private company.

The Environmental Management, Health and Social Development are responsible for social work services to various target groups, namely, children, women, families, aged persons and people with disabilities. The department also facilitates the indigent register and other social development programmes. It also promotes a healthy, clean, green, liveable and safe environment by providing comprehensive primary health care, municipal health services and environmental management.

The Public Safety department is tasked with Traffic and Security Services, Municipal Courts, and Fire and Rescue Services to promote a safe and secure environment to the community of ELM.

3.15 LIBRARIES

The Library and Information division of the municipality is managing thirteen (13) community libraries. Services rendered include daily opening and administration of libraries, provision of study space, circulation of information resources, provision of reference material and outreach services. The intention of the libraries is to act as development agents providing dynamic Library and Information Services to local communities in their quest for lifelong learning, literacy, cultural expression, recreation and economic development.

3.15.1 Service Statistics for Libraries

Born to Read Programmes: The Municipality conducted Born to Read Programs for 387 Participants, Soccer Legends Reading Programmes which helped to maintain 12 Vegetable Gardens at Clinics and Libraries. Established

Early Childhood Development Programmes and this was presented at 12 Crèches in rural areas. Holiday Programmes were held at all 13 Libraries and reached 8 865 people.

Debate Competition: **Three** debate competitions were implemented jointly with Department of Education, Library and Information Services and Gauteng Library and Information Services and were held at Sharpeville Library. The competitions were initiated by Gauteng Province and 7 schools took part. The competitions were attended by 200 community members.

Library Week: South African Library Week was celebrated through individual programs at all Libraries.

Motivational Speaking: Motivational sessions at some libraries, preparing learners to cope with pressure that comes during exams, were conducted to 100 learners.

Youth Month: Youth Month Awareness displays were set up at all libraries, covering programs that addressed social problems like drug abuse, etc.

3.15.2 Libraries: Service Delivery Budget Implementation Plan

Libraries: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
	Promote a culture of reading and learning	3 000	11 395	3 500	8 865	7 000
	Increase membership of Public Libraries	7 000	8 875	7 000	11 513	12 100
	Increase usage of library material	178 000	378 382	178 000	232 636	250 000

3.15.3 Employees: Libraries

Employees: Libraries					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	1	1	1	0	0%
4 to 6	2	4	4	0	0%
7 to 9	17	40	16	24	60%
10 to 12	39	74	39	35	47%
13 to 15	2	3	2	1	33%
16 to 18	18	35	22	13	37%
Total	79	157	84	73	46%

3.15.4 Financial Performance: Libraries

Libraries :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	7,441,244	1,927,736	4,706,413	1,628,020	-65%
Expenditure:					
Employees	16,598,683	16,442,623	17,849,743	17,381,221	-3%
Repairs and Maintenance	18,652	173,250	2,338,600	-	-100%
Other	5,589,828	6,053,805	5,761,580	3,041,669	-47%
Total Operating Expenditure	22,126,451	21,982,803	25,400,423	20,417,932	-20%
Net Operational (Service) Expenditure	(14,685,207)	(20,055,067)	(20,694,010)	(18,789,912)	-9%

3.15.5 Libraries: Capital Expenditure

Libraries: Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance From Adjusted Budget	Total Project Value
Total All	2,460,000	2,714,127	577,102	-79%	577,101
R:Repl Elect Wiring Vdp; Rustervaal Lib	1,500,000	-	-		-
N:Recap Of CommLibr Cond Grant	960,000	665,000	343,285	-48%	343,285
R:Evaton Library	-	2,049,127	233,816	-89%	233,816

A budget of R2, 460,000 was allocated for the above projects and adjusted to R2, 714,127 during the mid-year budget review. A total of R577, 107 was spent which brought the expenditure to 21% of the Adjusted budget.

There have been challenges, which impacted negatively to the implementation of the projects. However most of them were resolved by introducing remedial measures such as the establishment of the Grants Committee. The committee is aimed at ensuring consistency in performance across all grants. The results of this committee may not be evident on this expenditure but it is solving challenges and added value will be clear on the next financial year.

3.15.6 Overall Performance of Libraries

The membership of public libraries were increased to 11 513. This was mainly due to the implementation of free membership and effective programmes presented and the implementation of Curriculum Assessment Policy Statement (CAPS) at school. This also resulted in the increasing number of library materials used to 232 636 through conducting various reading campaigns which were attended by 8 856 people.

3.16 SPORT, RECREATION, ARTS AND CULTURE

The Municipality, through its Sport, Recreation, Arts and Culture strives to achieve a non-racial and integrated local community with healthy lifestyles. It encourages the community to participate actively in Sport and Recreational activities through a number of sport development programmes that are implemented in the underprivileged areas, specifically.

Some of the programmes which were implemented included inter alia, sporting codes such as swimming, cycling, soccer, softball, boxing, netball, korfbal, indigenous games, rugby and athletics. It is estimated that a number of more than 2 500 participants and emerging officials/coaches were reached through these programs.

The Sport Section is also creating a healthy and safe environment at the 21 formal and 42 informal facilities that are maintained. With a limited budget and scarce resources, an effective and efficient municipal service is rendered which is co-operative, participative and interrelated.

3.16.1 Sporting Facilities

By maintaining, operating and managing facilities up to a reasonable standard, Emfuleni Local Municipality is proving its commitment to professional and responsive municipal administration. Through its sections for sport, recreation, arts and culture, a quality municipal service is rendered at facilities that are accessible to the Local Community.

3.16.2 Service Statistics for Sport, Recreation, Arts and Culture

- *Indigenous Games:* During September 2012 Emfuleni Local Municipality successfully staged the regional Indigenous Games Championships at Saul Tsotetsi Sport Centre in Sebokeng. Approximately 900 participants and 150 officials participated in these games.
- *OR Tambo Games:* During October 2012 the municipality participated in the 2012 O.R. Tambo Games in Johannesburg with 180 participants of which the administration was done by the Sport Section.
- *Eindhoven Soccer Project:* On the 10th to 20th of December 2012 the PSV under-17 soccer club together with Eindhoven Municipality (Netherlands) and KNVB visited Emfuleni Local Municipality for soccer coaching clinics during which local soccer coaches were trained during clinic 25. For the first time ever and as part of the coaching clinic, Kaizer Chiefs soccer club took part.
- *Coaching Lessons:* During June 2013 PSV and Eindhoven Municipality visited Emfuleni Local Municipality for the final time as the twinning relationship came to an end. Twenty five local coaches underwent an advanced soccer coaching clinic and are now fully trained.
- *AFCON Cup:* During January/February 2013 Emfuleni Local Municipality through its Sport Section provided and operated two Public Viewing Areas (PVA's) at George Thabe Stadium (Sharpeville) and Saul Tsotetsi Sport Centre (Sebokeng) for the duration of the AFCON Cup. It is estimated that a total number of 18 000 people visited the PVA's.
- *Learn-to-Swim Programme:* Towards the end of 2012 sixteen of our swimmers from the disadvantaged areas successfully completed the local "Learn to Swim" program, and participated in an official swimming gala in Johannesburg which was attended by 60 swimmers from Gauteng Province.
- A swimming gala was held at Sharpeville Swimming Pool during March 2013 where most of the local "Learn-to-Swim" learners participated in the competition which was attended by approximately 250 people.
- *Rugby Development:* Sizanani Thusanang School which went through the local rugby development program was nominated to participate in the National Championships in Pretoria.
- *Human Rights Sport Plan:* Emfuleni Local Municipality participated successfully in the local Human Rights Sport Plan. One of the events was the 5km Fun Run at Sharpeville and more than a thousand people participated.

- *Judo Development:* During March 2013 the Sport Section hosted 21 specialists in Judo from Germany by taking them on a tour through our area.
- *Cycling Development:* For the period January – March 2013 the cycling development program intensified up to such a stage that one of our disadvantaged lady cyclists was nominated as the best “Development Cyclist” in Sedibeng.
- *Boxing Development:* A local boxing club was established during April 2013 under the leadership of the Sport Section. The “back stage” room at Boipatong Community Hall will be used as training facility.
- *Mother Tongue Celebrations:* A Language Workshop was held on 3 February 2013 during the day and the Mother Tongue Celebrations were held in the evening. A total of 78 people attended.
- *Fashion Show:* The Red Affair Fashion Show was held at Vanderbijlpark Library on 24 May 2013. Approximately 400 people attended. 12 Designers and 40 models were present showcasing a total of seven (7) garments per designer.
- *Drama Festival:* Emfuleni School Drama Festival was held on 22 June at Vereeniging Civic Theatre. 11 Primary Schools and 8 High Schools plus 4 Community Groups attended the festival. The Secondary School that got position 1 will be participating at Arts Alive (Market Square, Johannesburg) and the community group that got position 1 will get a slot at the Market Theatre. A total of 360 persons from the public attended.
- *Traditional Dance:* Emfuleni Traditional Dance auditions started on 8 June 2013 at Bophelong, 15 June at Saul Tsotetsi, 29 June at Thabong Shopping Centre and closed on 13 July at Boipatong and Sharpeville Community Halls. A total of 40 groups participated and 490 spectators were in attendance.
- *DJ's Competition:* Emfuleni DJ's Competition auditions took place on 15 June, 22 June, 29 June and the final will take place on 6 July at Palm Court Hotel. 35 DJ's participated and 9 were chosen for three different genres which are House Music, Kwaito and Hip Hop/Reggae. A total of 9 000 members from the public filled the venue to capacity. A DJ Association Meeting was held prior to the competition discussing the presentation of the competition and sponsorships. Stakeholders from DSTV and Red Square were present as well as 60 participants.
- *Vaal River Carnival:* The Vaal River Carnival was staged successfully in September 2012 during which month a number of Arts and Culture programs were implemented. A number of 177 240 people attended various events.

3.16.3 Sports and Recreation: Service Delivery Budget Implementation Plan

Sports and Recreation: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Healthy and safe environment for communities	Increase utilization of sports facilities	3000	3000	3500	3829	Increase utilization of sports facilities
	Support Sport Councils and Federations	8	8	8	9	8
	Support Arts and Culture Forums meetings	4	4	5	4	4

3.16.4 Employees: Sports and Recreation

Employees: Sport and Recreation					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	2	2	2	0	0%
4 to 6	5	5	4	1	20%
7 to 9	8	8	8	0	0%
10 to 12	23	30	24	6	20%
13 to 15	16	30	15	15	50%
16 to 18	87	92	64	28	30%
Total	141	167	117	50	30%

3.16.5 Employees: Arts and Culture

Employees: Arts and Culture					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	0	1	1	0	0%
4 to 6	0	2	2	0	0%
7 to 9	0	5	5	0	0%
16 to 18	0	4	4	0	0%
Total	0	12	12	0	0%

3.16.6 Sports, Recreation, Arts and Culture :Financial Performance

Sports, Recreation, Arts And Culture :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	73,610	105,210	133,388	160,988	21%
Expenditure:					
Employees	24,003,359	24,378,347	24,668,465	24,850,571	1%
Repairs and Maintenance	1,020,038	6,133,488	2,405,240	1,399,268	-42%
Other	3,939,361	7,811,476	5,344,163	5,621,756	5%
Total Operating Expenditure	28,962,757	38,323,311	32,417,868	31,871,596	-2%
Net Operational (Service) Expenditure	(28,889,147)	(38,218,101)	(32,284,480)	(31,710,608)	-2%

3.16.7 Sports, Recreation, Arts and Culture :Capital Expenditure

Sports, Recreation, Arts and Culture :Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual	Variance from	Total Project Value
			Expenditure	Original Budget	
Total All	36,000,000	40,684,542	9,839,350	-76%	9,839,350
R:Upgr George Thabe Sport Facility Shpv	2,000,000	2,522,000	275,547	-89%	275,547
R:Upgrading Of Dickinson Park	28,000,000	27,191,211	7,222,683	-73%	7,222,683
R:Recreat Facilities @Sebokeng Wrd35	4,000,000	-	-		-
R:Recreat Facilities @Sharpville Wrd13	2,000,000	3,000,000	-		-
R:Recreat Facilities @Sharpville Wrd12	-	4,074,451	664,750	-84%	664,750
R:Recreat Facilities Tshepiso Ward 22	-	3,296,880	987,515	-70%	987,515
R:Const Of Prefabricated Comn. Hall;Sfar	-	300,000	347,427	16%	347,427
R:Const Prefabricated Comn. Hall Bophelo	-	300,000	341,427	14%	341,427

The initial budget of R 36,000,000 for sport recreation, arts and culture was adjusted to R 40,684,542 during the mid term review. Of the adjusted budget R 9,839,350 (24%) was spent during this financial year resulting to two prefabricated community halls being completed and handed over to the community.

One recreation facility is at practical completion, the contractor is busy with the snag list. The upgrade of Dickinson part continued during the financial year as this is a multi year project and it will be rolled over to the next financial year with the rest of the incomplete projects.

3.16.8 Overall Performance of Sport and Recreation

- The number of visitors to Sport and Recreational Facilities were increased by approximately 9% which proves that the standard of maintenance of facilities and the level of service has increased since 2011/12;
- Though regular meetings held with the Emfuleni Sport Council, it seemed that this institution is struggling to reach their goal towards the end of the financial year. However support is still rendered to the different Local Sport Councils in an effort to get them all functional; and
- The Vaal River Carnival was staged successfully during September 2012 month, during which a number of Arts and Culture programs were implemented. In accordance with the core function of this division, the Emfuleni Arts and Culture Forum was actively supported in an effort for it to reach its goals.

3.17 PARKS AND CEMETERY

Cemeteries are not only regarded as areas of remembrance to honour the deceased but also provide opportunities to create green footprints within Emfuleni Local Municipality. The Municipality is responsible for the maintenance and management of 12 cemeteries. 6 Cemeteries are fully operational and 6 Cemeteries are passive. (Passive cemetery refers to a cemetery that still accommodates second burials for re-opening and reserved graves only). The Department is in the process of identifying sites for the establishment of new cemeteries.

The Municipality's Parks and Cemetery department is also responsible for acquiring, managing, developing, conserving and the sustaining of Public Open Spaces, Parks, Green belts, Green Arterials and Wetlands.

Public Open Spaces / parks contribute towards:

- Providing public venues, facilities and spaces for passive and informal social activities which promote social cohesion and civic pride.
- Creating an aesthetically pleasing and liveable environment.
- Creating a clean and green environment.
- Reducing the Emfuleni carbon footprint.

3.17.1 Municipal Parks and Open Spaces

No	Public Open Space / Park	Number	Size in square meters
1	Developed parks	95	4,700,000 m ²
2	Undeveloped Public Open Spaces	613	10,700, 000 m ²
3	Formally planted street trees;	110,000	
4	Green belts along the roads		2,000,000 m ²
5	Green belts around clinics;	18	
6	Municipal Gardens	1	
7	Green belts around Libraries	12	
8	Cutting of vegetation to establish Fire breaks around electrical substations	10	

3.17.2 Employees: Parks

Employees: Parks					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	0	2	2	0	0%
4 to 6	0	8	4	4	50%
7 to 9	0	44	13	31	70%
10 to 12	0	20	5	15	75%
13 to 15	0	250	53	197	79%
16 to 18	0	595	65	529	89%
Total	0	919	142	776	84%

3.17.3 Parks: Financial Performance

Parks And Open Spaces : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	2,543	4,516	4,516	3,380	-25%
Expenditure:					
Employees	24,487,082	22,972,695	24,380,207	26,523,008	9%
Repairs and Maintenance	531,618	616,700	283,360	279,295	-1%
Other	12,899,262	13,515,520	12,330,070	15,673,117	27%
Total Operating Expenditure	37,917,962	37,104,915	36,993,637	42,475,421	15%
Net Operational (Service) Expenditure	(37,915,419)	(37,100,399)	(36,989,121)	(42,472,041)	15%

3.17.4 Parks: Capital Expenditure

Parks: Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	3,000,000	-	-	-100%	-
N:Remove Prob Trees & Plant New Trees	1,000,000	-	-	-100%	-
R:Upgrading Nursery Next To Boipatong	1,000,000	-	-	-100%	-
N:Feasibility Study Development Of Parks	1,000,000	-	-	-100%	-

The initial capital allocation was R3,000,000 for the above project but this was reviewed to zero during the adjustment budget process due to revised priorities. As a result no expenditure was registered against these projects.

3.17.5 Service Statistics for Cemeteries and Crematoriums

Emfuleni - Parks & Cemeteries																	
Statistics (Burials - Paupers - Re-Openings) - July 2012 - June 2013																	
	Active Cemeteries							Passive Cemeteries							Total		
	Nannescol	Nannescol 2	Roshnee	Rus-ter-Vaal	Jackopskop	Vanderbijlpark	Subtotal	Boipatong	Evaton	Jackopskop 2	Sharpeville	Vereeniging	Vuka	Subtotal	2012	2011	Difference
Quarter 1	10	317	9	61	74	580	1050	4	349	11	50	0	19	433	1484	1603	-119
Quarter 2	10	248	11	64	79	468	880	0	284	16	35	0	10	223	1103	1341	-116
Quarter 3	8	249	13	66	54	464	854	5	262	15	41	0	9	328	1182	1309	-127
Quarter 4	8	249	11	52	75	521	916	0	294	23	44	0	10	371	1287	1372	-85
Annual Total	36	1063	44	243	282	2033	3701	5	1189	65	170	0	48	1477	5178	5625	-447

The following six cemeteries are active with expected life span: Vanderbijlpark (5yrs), Nannescol 1 (15 yrs), Nannescol 2 (3yrs),Roshnee (15yrs) Rust-ter-Vaal (1 yrs) and Jacobskop (3 yrs). 6 The Municipality is in the process of identifying sites for the establishment of new cemeteries.

3.17.6 Parks and Open Spaces: Service Delivery Budget Implementation Plan

Parks and Open Spaces: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Maintained parks, public open spaces and green belts in urban areas.	Arborti-cultural and horticultural maintained parks, public open spaces and green belts in urban areas	Cut grass on parks, public open spaces and green belts, total size of 450ha	Cut grass on parks, public open spaces and green belts, total size of 195ha	Cut grass on parks, public open spaces and green belts, total size of 450ha	Cut grass on parks, public open spaces and green belts, total size of 3,562.3ha	Cut grass on parks, public open spaces and green belts, total size of 468ha
		Feathered and prune 750 trees in sidewalks, parks and public open spaces	Feathered and prune 722 trees in sidewalks, parks and public open spaces	Feathered and prune 750 trees in sidewalks, parks and public open spaces	Feathered and prune 2,994 trees in sidewalks, parks and public open spaces	Feathered and prune 800 trees in sidewalks, parks and public open spaces

3.17.7 Cemeteries and Crematoriums: Service Delivery Budget Implementation Plan

Cemeteries and Crematoriums Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Healthy and safe environment for communities	Maintained public cemeteries	Cut grass in twelve (12) cemeteries, with a total size of 510ha	All twelve (12) cemeteries were cut once. The total size of cut was 510 hectares	Maintained twelve (12) cemeteries	Achieved	Cut grass in twelve (12) cemeteries, with a total size of 510ha
	Cemetery Capacity	100% turn-around time	Effective service delivery was rendered as per burial applications received	Provide graves per application received	Achieved	100% turn-around time
		Cemetery Capacity	Target revised	Target revised	Target revised	Identification of new land for cemetery

3.17.8 Employees: Cemeteries

Employees: Cemeteries					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	1	1	1	0	0%
4 to 6	4	4	2	2	50%
7 to 9	10	17	5	12	71%
10 to 12	3	5	5	0	0%
13 to 15	6	29	0	29	100%
16 to 18	64	46	24	22	48%
Total	88	102	37	65	64%

3.17.9 Cemeteries: Financial Performance

Cemeteries : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	4,984,366	5,928,230	5,928,230	5,494,209	-7%
Expenditure:					
Employees	3,141,701	3,436,697	3,144,666	3,609,158	15%
Repairs and Maintenance	19,000	43,750	35,000	-	-100%
Other	6,054,605	6,153,065	5,973,189	5,462,514	-9%
Total Operating Expenditure	9,215,307	9,633,512	9,152,855	9,071,672	-1%
Net Operational (Service) Expenditure	(4,230,941)	(3,705,282)	(3,224,625)	(3,577,463)	11%

3.17.10 Cemeteries : Capital Expenditure

Cemeteries : Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	11,000,000	-	-	-100%	-
N:Purchase Portion 15 New Cemetery Est.	5,500,000	-	-	-100%	-
N:Extend Burial Space RustervalCemetery	3,000,000	-	-	-100%	-
N:Develop New Cemetery Mieliefarm	2,500,000	-	-	-100%	-
R:Upgrading Of Vuka Cemetery	1,000,000	-	-	-100%	-
R:Upgrading Of Evaton Cemetery	1,724,088	-	-	-100%	-
R:Extension Of Vanderbijlpark Cemetery	3,000,000	-	-	-100%	-
R:Erect Palisade Fence JacobskopCemetery	-	650,000	2,432,647		2,432,647
O:Upgrade Of Cemeteries (Ex-District)	-	2,704,127	-		-

A budget of R11, 000,000 was allocated for the above projects and adjusted to R3, 354,127 during the mid-year budget review. A total of R2, 432,647 was spent which brings the expenditure to 73 % of the Adjusted budget.

This expenditure is achieved through the implementation of the Jacobskop cemetery that was completed during the financial year. Although palisade fence at jacobskop was budgeted for R650,000, the expenditure is still within the approved grant funding allocation. The remainder of the projects as reflected on the table above were taken out

since they had no MIG business plan approvals. The upgrading of cemeteries will be rolled over to the next financial year

3.17.11 Overall Performance of Parks and Cemeteries

The following performance highlights were recorded in assisting the department to achieve its objectives of bringing services closer to the people and improving their quality of life:

*Maintenance of Cemeteries:*All twelve (12) Cemeteries in Emfuleni Local Municipality have been maintained as per planned programme. The maintenance in cemeteries included grass cutting, internal road maintenance, infrastructure etc. This maintenance was done to enhance the standard of the cemeteries and to honour the deceased;

Provision of Graves: All the burial (grave) applications received were provided in the time specified by the applicants;

*Additional Burial Space:*The process of expanding Rust-ter-Vaal cemetery commenced – R.O.D. has been authorized as part of phase1. The development will start once the funds become available.

Horticultural work- This involves propagation and maintenance of plants; landscape development and maintenance; inscapes; conducting floral decoration; erection and maintenance of hard-surfaces and park furniture.

Arboricultural work - This involves the planting and maintenance of trees and shrubs, and

*Turf grass Management -*This involves grass cutting and the control of alien and unwanted vegetation.

Environmental Awareness

- Supported various schools in the hosting of National Arbor Day Celebrations.
- Issued notices to three major landowners of neglected stands into the good management of their respective land.
- Entered into partnership with the communities of Roshnee to upgrade two parks namely Erf 462 and Erf 1107.
- Encouraged local business to adopt and maintain Public Open Spaces / Green Arterials.
- Have a partnership in place with “The Palms” shopping complex whereby they have adopted and maintain the Green Arterial (pavement and traffic island) in front of their complex.
- Have a partnership in place with Vaal Toyota (Vereeniging) whereby they have adopted and maintained the Green Arterial in front of their business.
- Have a partnership in place with the company DME whereby they have adopted and maintained the Green Arterial in front of their business.

*Promotion of a carbon neutral environment:*Planted two hundred (200) trees.

Promotion of food security. Are engaging the Provincial Department of Agriculture and Rural Development to fund a fruit tree planting program.

*Promotion of Green Economy jobs:*The Division has a multiyear Eradication of Alien Vegetation project. The Project started at the Old Buck Camp, Erf 361 and Erf 367, between Waterkant Street; General Hertzog Road and Golf Road in Three Rivers, Vereeniging, and is being extended toEmfuleni. Thirty temporary work opportunities were created.Through the horticultural maintenance program, ninety temporary work opportunities were created.

Promotion of park based (outdoor) recreational facilities and activities: Have a partnership in place on Public Open Space - Erf Portion 4 of Erf 364, Three Rivers, whereby the said site was developed and being maintained as a natural park – having a buck living therein.

3.18 SOCIAL DEVELOPMENT

The Social Development Department provides an array of prevention and intervention services to vulnerable groups particularly children who have been or are at risk of abuse or neglect; children with special medical or mental health needs; delinquent children; and children who do not have adult caregivers. Key areas also include women, elderly, HIV/AIDS and people with disabilities and early childhood development.

Social Development has partnered with relevant stakeholders: South African Social Services Authority (SASSA), the Department of Home Affairs, Department of Social Development (DSD), Gauteng Provincial Government and South African Police Services (SAPS).

3.18.1 Service Statistics

The service statistics regarding the above mentioned community support programme includes the following:

- *Child protection:* 2 Primary Schools were targeted in Emfuleni and 70 children were educated on child abuse
- *16 Days of Activism on Women and Child Abuse:* Community awareness on Child and Women abuse was done and 243 community members were reached.
- *School holiday programme:* 5 Primary Schools in Emfuleni were involved and 50 learners were educated on Life Skills.
- *Youth Month Programme:* 1 Campaign was done in Bophelong and 1000 youths benefitted. During this month a Drugs and Substance Abuse Campaign was conducted and 150 people reached.
- *Services:* 521 therapeutic sessions were initiated for families in need.
- *Indigent programme:* 698 new Indigent applications verified; of which 416 were approved, 75 rejected and 207 are pending awaiting the submission of outstanding documentation.
- *Programme for Older Persons:* The following activities were presented for older persons:
 - Conducted programs to Rhoda Yende Social Club for the Elderly which included information on indigent programs, information on SASSA grants, awareness on loan sharks and 90 older persons benefitted.
 - Centenary events to celebrate centurions in the communities of Sebokeng, Vereeniging and Rust-ter-Vaal.
 - ICROP (Integrated Community Outreach Programme): community awareness was done on services rendered by different departments and stake holders and 1000 older persons attended in Evaton.
- *Early Childhood Development Program (ECD):* The following was achieved regarding the Early Childhood Program:

- Early Childhood Development (ECD) policy has been developed by Sedibeng District Municipality and the report was submitted to Council for adoption.
- The construction of the ECD facility in Sharpeville is 90% complete.
- Emfuleni ECD Forum was established in 2013.
- Coordinated the Training of ECD practitioners in partnership with Early Childhood Development Institute (ECDI) and Social Development, Gauteng Province.
- 99 indigent and 50 Pauper burials were conducted.
- 2 ECD one stop centres are operating in Small Farms and 1 ECD indaba was presented at Zone 10.

3.18.2 Social Development: Service Delivery Budget Implementation Plan

Social Development: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2012/13
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Professional and Responsive Municipal Administration	Complete verification of application for indigent status	Completed verification of applications for indigent status	593 new indigent applications received and verified and approved within 20 working days after receipt	Process of application within 20 working days after receipt	698 new indigent applications received and verified and approved within 20 working days after receipt	Process of application within 20 working days after receipt

3.18.3 Employees: Social Development

Employees: Social Development					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No	No.	No.	%
0 to 3	1	1	1	0	0%
4 to 6	11	26	12	14	54%
7 to 9	12	13	1	12	92%
10 to 12	15	20	14	6	30%
Total	39	60	28	32	53%

3.18.4 Social Development : Financial Performance

SOCIAL DEVELOPMENT : FINANCIAL PERFORMANCE					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					#DIV/0!
Expenditure:					
Employees	2,339,781	3,211,728	3,178,142	3,096,556	-3%
Repairs and Maintenance	-	-	-	-	
Other	(769,162)	(975,116)	(1,781,781)	(1,344,218)	-25%
Total Operating Expenditure	1,570,619	2,236,612	1,396,361	1,752,337	25%
Net Operational (Service) Expenditure	(1,570,619)	(2,236,612)	(1,396,361)	(1,752,337)	25%

3.18.5 Overall Performance of Social Development

The following performance highlights were recorded in assisting the division to achieve its objective of bringing services closer to the people and improve their quality of life:

Child Support programme: Child support program is aimed at enhancing the wellbeing, physical, emotional and psychological development of children. 6 campaigns were coordinated aimed at reducing the impact of sexual

exploitation and abuse of children, the number of campaigns increased from 4 in the previous year to 6 in the year under review.

A 5 day workshop on the new Children's Act 35 of 2008 was attended by social workers within the Department. The aim of the workshop was to keep Social Workers abreast with changes in the Children's Act to be capable to render effective and efficient services to children. The Social Workers have now a better understanding of their roles and responsibilities in terms of the new Act.

Individual and family support: Social Workers assisted families and individuals through case work intervention and family therapy. A total of 451 therapeutic sessions were initiated for families. The sessions increased from 231 in the previous year to 451 in the year under review. The benefits of these interventions were, the enhancement of the psycho-social support systems for individuals and families so that they can function at an optimal level in the community.

Older Persons support programme: The Social Development Department fulfilled the objectives of the Older Persons Act of 2006 by looking after the well-being and interests of older persons, benefitting them through participation in community activities and access to recreational facilities.

The following activities were presented for older persons:

- An Indaba for older persons was conducted; the aim of the indaba was to discuss matters/ issues affecting older persons.
- An excursion for 200 older persons to Cape Town took place. The benefit of the excursion was for older persons to visit tourist attraction places in Cape Town and also to learn more about their country and its resources, e.g. they visited parliament and other areas of national interest.
- Choir competitions and active ageing games took place and were aimed at active participation of older persons into recreational activities.
- A Centenary celebration took place. It was aimed at celebrating with older persons who have reached the age of 100 years and to appreciate their importance in the community.
- A Day care centre for older persons in Sharpeville is in the process of being completed and mobilization of older persons qualifying to benefit from the centre has been coordinated jointly with other stakeholders e.g. Sedibeng Social Development, Regional office of the Gauteng Department of Social Development and Community Development Workers.

Early Childhood Development Programme: ECD policy is currently being developed jointly with the Sedibeng District Municipality on the regulation of all ECD centres in the region. The construction of the ECD facility in Sharpeville is 90% complete. The purpose of the ECD facility is to enhance access to quality early childhood development (ECD) facilities to children of disadvantaged and poor backgrounds.

The Social Development division was engaged in coordinating training of ECD practitioners in conjunction with the Early Childhood Development Institute, 254 practitioners have benefitted from the programme. The aim of the training was to ensure that effective and efficient services are rendered to children in ECD facilities, and that they meet the

minimum standards required for ECDs. An ECD one stop centre is currently operating in Small Farms. A Social Development Master Plan Report has been developed to guide a comprehensive service delivery programme for the ELM and is awaiting approval from Council.

3.19 ENVIRONMENTAL MANAGEMENT

The Municipality's Environmental Management function is responsible for environmental protection and the function is rendered in terms of the National Environmental Management Act 107 of 1998 and Specific Environmental Management Acts (SEMAS). The main function of the Division is to provide through good governance principles a comprehensive, safe and sustainable Environmental Management Service:

- Wetlands are highly sensitive and were showing signs of disturbance largely as a result of human settlement.
- The monitoring and enforcement of both point source and non-point source water and air pollution which affect the health of ELM residents, needs to be improved. Improved regulation of industries is also required.
- ELM is designated as an Airshed Priority Area as a result of, for example, particulate pollution which exceeds international health standards.
- It is important to understand the place of Emfuleni Local Municipality's Environmental Management in the constitutional co-operative governance framework as far as it pertains to powers, functions and responsibilities of a local government. The Division reports on 5 aspects of the Environment, namely:
 - Environmental Impact Management;
 - Environmental Compliance Monitoring and Enforcement;
 - Industrial Environmental Impact Management;
 - Air Quality Management: and
 - Environment Related Projects.

3.19.1 Service Statistics

Environmental Impact Assessments

- 26 Environmental Impact Assessments and rezoning applications assessed.
- Comments on the planning and development of infrastructure, housing and service delivery which takes environmental opportunities and constraints into account.
- 15 Environmental Awareness campaigns were conducted.
- Celebration of World Environment Day, Sanitation week, Arbour Week and Water week.

Environmental Compliance Monitoring

The environmental compliance monitoring and enforcement was implemented through the following:

- 176 complaints were resolved.

- Conducted 337 site inspections and investigations at industries.
- Final draft of the Air Quality Management By-Law has been submitted for approval.
- A register of all fuel burning appliances have been compiled.
- Emfuleni Local Municipality has signed the Implementation Protocol for the designation of Environmental Management Inspectors (EMI's).

Air Quality Management

Although the Sedibeng District Municipality is the licensing authority for air quality monitoring, the ELM assisted with the implementation of the legal compliance framework through:

- Drafting of the Air Quality Management By-laws.
- Monitoring of compliance with Atmospheric Emissions License.
- 18 Atmospheric Emission licenses were issued by Sedibeng District Municipality with the assistance of this division.
- 5 000 pamphlets have been distributed to create awareness of the air quality program.
- 532 diesel vehicles were tested.

3.19.2 Employees: Environmental Management

Employees: Environment Management					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	1	1	1	0	0%
4 to 6	3	3	0	3	100%
7 to 9	4	8	4	4	50%
Total	8	12	5	7	58%

3.19.3 Enviromental Management : Financial Performance

Enviromental Management : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Employees	2,687,445	3,002,536	3,115,532	3,053,382	-2%
Repairs and Maintenance	7,980	26,250	21,000	627	-97%
Other	86,075	273,514	216,358	62,718	-71%
Total Operating Expenditure	2,781,500	3,302,300	3,352,890	3,116,727	-7%
Net Operational (Service) Expenditure	(2,781,500)	(3,302,300)	(3,352,890)	(3,116,727)	-7%

3.19.4 Overall Performance of Environmental Management

Complaints received from the public pertain to noise, air pollution, and odours and indiscriminate dumping. A total of 34 complaints around environmental pollution, of which 18 notices were served, were received and investigated. Some are still in progress. The illegal dumping of waste throughout the region is problematic and results in a nuisance or a health hazard. Illegally dumped waste created conditions which are ideal for the harbouring and breeding of rodents and pests. The number of complaints received in this regard supports the statement. Areas mostly affected are the Mario Milani "Spider Valley" service road as well as open spaces in Bophelong, Boipatong and Sebokeng.

3.20 ENVIRONMENTAL HEALTH

The function includes the provision of a comprehensive Environmental Health Services to enable the community to live in a health hazard free environment. Environmental Health is rendered in terms of National Health Act, Act 61 of 2003. Municipal Health Services is made up of nine (9) elements or focus areas, which are the mandate of ELM with regard to Municipal Health Services, namely:

- Food Control
- Health surveillance of premises
- Vector control
- Prevention of communicable diseases
- Disposal of the dead
- Water Quality Monitoring
- Environmental Pollution Control
- Control of hazardous waste
- Chemical Safety

The new National Health Act (Act 61 of 2003) allocated the powers to inspect all land or premises owned by the State. This has increased the scope of Environmental Health Services core package to include inspection of schools, state hospital, prisons etc. The extended mandate is currently not funded from equitable share and will require sufficient human and financial resources in the long term.

Important to note is that the definition of MHS includes aspects of at least the following Schedule 4 Part B and Schedule 5 Part B functions, which are to be performed by the Environmental Health Division:

- Air Pollution
- Noise Pollution
- Solid Waste removal and disposal
- Water and Sanitation
- Licensing and Control of undertakings that sell food to the public
- Control of Public Nuisances
- Child Care Facilities
- Municipal Abattoirs

3.20.1 Service Standards

In terms of our service standards and statistics linked to the nine (9) elements of Municipal Health Services, focus was given to the following priority deliverables:

Food Control

Food control relates to a mandatory regulatory activity of enforcement to provide consumer protection and ensure that food (e.g. Food Premises: bakeries, supermarkets, butcheries, take-away premises, restaurants, abattoirs, tuck shops etc).

- is handled in a hygienic manner during production, storage, processing, distribution and sale;
- is safe, wholesome, and fit for human consumption and conforms to safety, nutrition and quality requirements; and
- is honestly and accurately labeled as prescribed by legislation; and
- Certification and Licensing of all food premises.

Health surveillance of premises

Health surveillance of premises concerns the identification, monitoring and evaluation of health risks, nuisances and hazards and instituting remedial and preventive measures.

All premises such as preschools, old age homes, homes for the disabled, private schools and crèches are monitored on a routine basis with regard to the following:

- Water and sanitation
- Ventilation
- Lighting
- Occupational health and safety
- Overcrowding
- Conduct inspections at premises to ensure compliance to legislation and Council policies.
- Investigate complaints and ensure that remedial actions are taken.
- 4005 Pre-School inspections were done.
- Pre-school owners were work shopped on Environmental Health related topics.
- 362 Funeral Undertaker Premises were inspected

Vector control

Vector control entails the monitoring, identification, evaluation and prevention of vector related matters, other than those that cause Malaria which is a Provincial function.

The Division ELM has a team which deals mainly with infestations by rodents, ants, bees and cockroaches on Council property. The following inspections/actions were conducted at Council properties;

- Rodents– 38.
- Vectors – 14 and
- Bees/Wasps–63

3.20.2 Environmental Health: Service Delivery Budget Implementation Plan

Environmental Health: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
Healthy and safe environment for communities	Health Inspections Conducted	Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year		Year
		8500	10 760	11 000	Achieved above projection	8800
		2600	2610	2200	4005	2200
		300	324	320	362	320
		1007	1007	1120	907	1120

3.20.3 Employees: Environmental Health

Employees: Environmental Health					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	1	1	1	0	0%
4 to 6	10	10	10	0	0%
7 to 9	13	32	13	19	59%
16 to 18	1	4	1	3	75%
Total	25	47	25	22	47%

3.20.4 Environmental Health : Financial Performance

Environmental Health : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	9,291,698	9,688,200	9,688,200	10,154,321	
Expenditure:					
Employees	8,818,793	9,677,199	9,215,744	9,937,524	8%
Repairs and Maintenance	2,973	20,000	16,000	2,850	-82%
Other	481,175	955,813	769,700	245,174	-68%
Total Operating Expenditure	9,302,942	10,653,012	10,001,444	10,185,548	2%
Net Operational (Service) Expenditure	(11,243)	(964,812)	(313,244)	(31,227)	-90%

3.20.5 Overall Performance of Environmental Health

In summary, the Municipality experienced challenges with the mushrooming of unregulated funeral undertakers and early childhood development centres (crèches). If these centres are left unattended, they compromise the objective of rendering an unhealthy and unsafe environment for the communities living in the area of the Emfuleni Local Municipality.

To curb these challenges, the Municipality increased its inspections and conducted workshops to assist role players to comply with the relevant legislative requirements. In terms of the Environmental Health Services Policy all complaints and other matters, in respect of which investigations were required, received immediate attention. This division acted continuously regarding matters, which came within its jurisdiction, while matters concerning other departments were referred to the departments concerned for the necessary attention.

3.21 PRIMARY HEALTH CARE SERVICES

Primary Health Care Services (PHC) derives its mandate from the National Health Act, Act 61 of 2003 and other relevant legislation. PHC services include provision of the following comprehensive personal health services:

- Antenatal Care, Postnatal Care services and cervical screening,
- Immunizations against communicable diseases,
- Integrated Management of Childhood Illnesses,
- Reproductive health including family planning,
- Chronic Diseases Management,
- Management of Sexually Transmitted Infections ,
- TB and HIV/AIDS management and
- Health Education.

The above mentioned Primary Health Care Core Package is rendered in 18 fixed Clinics and 3 mobile clinics. The Primary Health Care function is the competency of Gauteng Provincial Health Department. ELM is rendering the function on behalf of Gauteng Department of Health.

ELM priorities include the following:

- Improving access to comprehensive Primary Health Care service delivery.
- Provide extended operational hours at clinics.
- Provide extended mobile clinic points to informal settlement and rural communities.
- Ensure access to antiretroviral treatment and Essential Drug List (EDL).
- Improve TB cure rate.

Highlights:

- Upgrading of health facilities whereby Beverly Hills and Zone 13 clinics were upgraded in 2011/2012. Tshepiso and Retswelapele clinics will be upgraded in 2013/2014.
- 3 additional mobile clinic points were established bringing the total mobile outreach points to 7.
- Market Avenue, Bophelong, Boipatong, Zone 12 and Zone 17 clinics provide extended operational hours from 07H45 – 19H00 week days and 07H00 – 13H00 weekends and public holidays
- A total of 813 396 public health users had access to the comprehensive PHC core package within the clinics of Emfuleni Local Municipality.

- TB cure rate has improved from 80% to 80,3%
- Antiretroviral treatment sites increased by 4 bringing the total clinics rendering ARV's to 15 out of 18 clinics.
- National Immunization Campaign held on Polio and Measles with 95% Polio coverage and 97% Measles coverage.

3.21.1 Clinics Statistics

		2011/2012	2012/2013	2012/2013	2013/2014
No	Details	Actual No:	Estimate No:	Actual No:	Estimate No:
1	Average number of visits by patients on an average day	3389	3340	3410	3689
2	Total Medical Staff available on an average day	75	75	75	75
3	Average waiting time by patients	90min	120min	120min	140min
4	Number of HIV/AIDS tests undertaken in the year	26867	34890	75185	78000
5	Number of tests tested positive for HIV/AIDS	5187	6230	14914	15670
6	Number of children that are immunized under 1 year of age	6043	5893	14378	14600
7	Child immunizations above compared with the child population under 1 year of age	47.50%	48%	90%	90%

3.21.2 Primary Health Care: Service Delivery Budget Implementation Plan

Primary Health Care: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Healthy and Safe Environment for Communities	Implemented Primary Health Services	90%	91.5%	100%	98%	98%
		90%	97.5%	90%	99.2%	98%
		90%	91%	90%	59.2%	98%
	Extended Primary Health Services	8 extended service (4 ARV sites and 4 mobile clinic points	8 extended service (4 ARV sites and 4 mobile clinic points	7 extended service (4 ARV sites and 3 mobile clinic points	7 extended service (4 ARV sites and 3 mobile clinic points	Provide extended services by 2 mobile clinic points

3.21.3 Employees: Primary Health Care

Employees: Primary Health					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	1	1	1	0	0%
4 to 6	30	38	33	0	0%
7 to 9	54	102	48	54	53%
10 to 12		24	10	14	58%
13 to 15	6	25	4	21	84%
16 to 18	21	33	18	15	45%
Total	112	223	114	104	47%

3.21.4 Primary Health Care : Financial Performance

Primary Health Care : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	34,287,374	40,358,759	40,288,759	33,684,050	-16%
Expenditure:					
Employees	37,599,136	42,605,156	41,504,129	39,809,132	-4%
Repairs and Maintenance	363,013	688,589	539,306	315,918	-41%
Other	4,782,118	8,033,374	6,013,413	3,967,994	-34%
Total Operating Expenditure	42,744,267	51,327,119	48,056,848	44,093,044	-8%
Net Operational (Service) Expenditure	(8,456,893)	(10,968,360)	(7,768,089)	(10,408,994)	34%

3.21.5 Primary Health Care : Capital Expenditure

Primary Health Care : Capital Expenditure					
Capital Projects	2012/13				
	Original	Adjustment	Actual	Variance	Total Project
	Budget	Budget	Expenditure	from Original Budget	Value
Total All	-	5,261,549	2,454,111		2,454,111
R:Early Childhood Centre		3,620,000	2,454,111		2,454,111
Sharpeville	-				
N:Beverly Hills Clinic		1,200,000			-
Sewer Connection	-		-		
N:Upgrading of Tshepiso		441,549			-
Clinic	-		-		
N:Upgrading of Beverly Hills		275,652	220,045		220,045
Clinic	-				
N:Upgrading of Zone 3		349,524	154,613		154,613
Clinic	-				

The projects listed on the table above were funded through the Social Development Grant. The budget was adjusted to R 5,261,549 during the budget review from zero. An expenditure of R2,454,111 (47%) of the adjusted budget was achieved during the financial year. This expenditure was achieved by the implementation of the early childhood centre in Sharpeville, the upgrading of the Beverly Hills Clinic and the upgrading of the Zone 3 Clinic.

The two clinics were completed in the current financial year except for the early childhood center in Sharpeville that had challenges to date, it is now 80% complete. The biggest challenge that impacted on this project was contract management, local subcontractors issues and funding availability from province. There are already initiative measures in place to address these challenges for all projects across council. This project will be rolled over into the next financial year.

3.21.6 Overall Performance of the PHC

ELM is characterized by an increased burden of diseases, overcrowding in clinics, long queues and compromised infection control to the general public. The Department of Health, and Gauteng Province, have put the following initiatives in place to respond to the challenges alluded to above:

- Overall performance of clinics focused on upgrading of Beverly Hills and Zone 3 clinics to promote access to Primary Health Care Services.

- Three additional mobile points were identified (Lakeside, Bophelong Ext and Sonlandpark) and services are now being rendered at these points. Extension of four additional anti-retroviral treatment sites to benefit people living with HIV/AIDS (Driehoek, Rust-ter-Vaal, Evaton Main and Tlhokomelong clinics) and to promote access to treatment sites.

3.22 PUBLIC SAFETY

The Public Safety Department manages municipal courts, traffic management services, road safety promotion, social crime prevention, security and investigations.

Traffic and Security Services render visible policing to improve road safety, enhance road discipline and prevent crime. The Municipality has aligned itself in terms of the National Crime Prevention Strategy, the Provincial Crime Prevention Strategy and the District Crime Prevention Strategy.

The Municipality Courts expedite fair and reliable adjudication of cases; also support the National Prosecution Authority and the Department of Justice to reduce backlogs in the Criminal Justice System.

3.22.1 Traffic Services

Traffic services are provided in all 45 municipal wards. The municipal area is subdivided into 3 regions. The regions are performing duties on a 2 shift basis (morning and afternoon shift).

3.22.2 Traffic and Security Services Data

Traffic & Security Service Data					
	Details	2011/12	2012/13		2013/14
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	7404	7471	7109	7300
2	Number of by-law infringements attended	6687	5883	10563	6500
3	Number of Traffic officers in the field on an average day	131	123	132	136
4	Number of Traffic officers on duty on an average day	175	169	169	170

Traffic services are provided in all 45 municipal wards. For easy access the municipal area is subdivided into 3 regions. The number of Traffic Officers is therefore divided into 3 to staff each of the regions according to its own needs. The regions are performing duties on a 2 shift basis (morning and afternoon).

All administrative functions are centrally located in the Vereeniging region. Out of all the Traffic Officers, only the Regional Commanders, Deputy Chiefs, Chief Superintendents, Superintendents, Training Officers, Crime Prevention, VIP Unit, Admin & Logistics, CCTV Officers, Accident Office and Control Room Staff are deemed to be office bound.

Highlights and Achievement

- The *National Rolling Enforcement Programme* was implemented and all the targets set by the National Department of Transport were met; with the exception of arrests for drunken driving due to the suspension of the Dräger machine which is used for testing alcohol blood levels and the shortage of blood kits used for the drawing of blood samples. Joint roadblocks were also held with the SAPS and the Provincial Traffic Department.
- *By-Law Enforcement* unit successfully conducted joint by-law enforcement operations with SAPS, Home Affairs, Dept. of Labour and internal departments such as LED, Electricity, Health, etc.
- *Social Crime Prevention Campaigns* were held with the Departments of Education, Correctional Services, Provincial Community Safety, SAPS, and the CPFs targeting school safety, drug abuse, re-integration of offenders to the community as per correctional services guidelines and policies, domestic violence and all forms of abuse. A successful crime prevention policing Imbizo for the Vereeniging Policing Precinct was held in conjunction with the SAPS and the Provincial Department of Community Safety..
- *Road Safety promotions* were conducted for schools and the community in general based on the conducted vulnerability assessments and the requests from the community.
- *Security and Investigations* -All theft of municipal property and misuse of Council property were investigated in order to prevent and minimize future theft or loss of municipal property.

3.22.3 Traffic Service: Service Delivery Budget Implementation Plan

Traffic Service: Service Delivery Budget Implementation Plan							
Service Objectives	Outline Service Targets	2011/12		2013/13		2013/14	
		Target	Actual	Target	Actual	Target	
		Previous Year	Previous Year	Current Year	Current Year	Following Year	
Professional and responsive municipal administration	Implement National Rolling Enforcement Program (NREP)	Conduct 48 programs	Conducted 48 programs	Conduct 56 programs	Conducted 48 programs	Conduct 48 programs (NREP standard)	
	Fraud and loss control - investigations	Achieve 90% of maximum turn-around time of 24 hours	Achieved 90% of maximum turn-around time of 24 hours	Achieve 90% of maximum turn-around time of 24 hours	Achieved 90% of maximum turn-around time of 24 hours	Maximum turn-around time of 24 hours	
	Implement Crime Prevention Strategy	Approved strategy by Council by 30 June 2012	Strategy approved by 30 June 2012	Implement the Crime Prevention Strategy	Conducted 24 Local Crime Prevention campaigns	Conduct 24 Local Crime Prevention campaigns. (6 campaigns per quarter).	

3.22.4 Employees: Traffic and Security

Employees: Traffic and Security					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	3	1	1	0	0%
4 to 6	9	10	8	2	20%
7 to 9	119	197	125	72	37%
10 to 12	24	65	26	39	60%
13 to 15	3	4	3	1	25%
16 to 18	6	13	6	7	54%
19 to		50	7	43	86%
Total	164	340	176	164	48%

3.22.5 Traffic and Security Services :Financial Performance

Traffic and Security Services :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	201,202	188,545	181,000	214,856	19%
Expenditure:					
Employees	48,661,834	46,698,872	51,696,650	52,966,697	2%
Repairs and Maintenance	81,224	85,348	68,278	41,873	-39%
Other	3,172,110	4,774,230	4,208,546	10,077,694	139%
Total Operating Expenditure	51,915,168	51,558,450	55,973,474	63,086,264	13%
Net Operational (Service) Expenditure	(51,713,966)	(51,369,905)	(55,792,474)	(62,871,408)	13%

3.22.6 Traffic and Security: Capital Expenditure

Traffic And Security Services :Capital Expenditure					
Capital Projects	2012/13				
	Original	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
	Budget				
Total All	8,746,177	6,122,324	6,352,091	-27%	6,352,091
N:Est. Trfic Precinct Sebokeng/Evaton	8,746,177	6,122,324	6,352,091	-27%	6,352,091

There was an initial budget of R8,746,177 allocated to this project and this was adjusted to R6,122,324 during the adjustment budget process. At the end of the financial year 103% of the adjusted budget was spent, which is still within the original budget.

The traffic precinct in Sebokeng / Evaton is a funded project within the Municipal Infrastructure Grant and is progressing accordingly, however, since it is a multi year project , the expected completion target is the 13/14 financial year.

3.22.7 Overall Performance of Traffic and Security

The following performance highlights were recorded in assisting the division to achieve its objective of bringing services closer to the people and improving their quality of life. The National Rolling Enforcement Program was implemented and all the targets set out in the program were met.

NREP	Vehicles stopped	Offences issued	Vehicles discontinued
2010/2011	141848	249620	28
2011/2012	192237	339048	36
2012/2013	148314	326970	49

Joint roadblocks were also held with the SAPS and the Gauteng Provincial Traffic Department and Free State Provincial Traffic Department. During 2012 / 2013 204 joint operations were conducted in comparison with 164 for 2011 / 2012. Successful joint by-law enforcement operations were initiated and held with external stakeholders e.g. The Department of Home Affairs, Department of Labour, SAPS and internal departments such as LED, Electricity, Health, etc. During 2011 / 2012 financial year the by-Law unit conducted 163 programs towards by-Law infringements in comparison with 55 programs for 2012 / 2013.

Crime prevention campaigns were also held with the Departments of Education, Correctional Services, Provincial Community Safety, SAPS, Social development and the CPFs targeting school safety, drug abuse, and re-integration of offenders to the community as per the Department of Correctional Services guidelines and policies, domestic violence and all forms of abuse. 24 Major crime prevention campaigns were held in 2012 / 2013. Twenty Four (24) Road Safety promotional campaigns were conducted in schools and the community in general based on conducted vulnerability and risk assessments and as per requests from the community.

All theft of municipal property and misuse of Council property were investigated in order to prevent and minimize future theft or loss of municipal property. There has been an increase in vehicle accidents, from 7404 in 2011/12 to 7109 in the 2012/13 and many of these accidents happen over the weekends. This trend impacted negatively on efforts to reduce accidents and prevent the loss of life. This has led to the Division investigating the possibility of establishing a pilot project to extend Traffic service to a 24 hour service

3.23 FIRE AND RESCUE SERVICES

The Fire and Rescue services are provided in all 45 municipal wards. The municipal area is subdivided into 3 regions (Vereeniging, Vanderbijlpark and Sebokeng/Evaton). The core function of the Fire and Rescue Services is to render firefighting, rescue and fire safety services and ensure the safety of human life and property. The Municipality is also responsible for Disaster Management and has established Fire Prevention Associations which relates to veld and bush fires on the farms and small holdings.

3.23.1 Fire and Rescue Service Data

Details	2010/11	2011/12		2013/14
	Actual No.	Estimate No.	Actual No.	Estimate No.
Total fires attended in the year	1138	1252	989	1000
Total of other incidents attended in the year	1181	1299	1257	1300
Average turnout time - urban areas	20 minutes	20 minutes	10 minutes	20 minutes
Average turnout time - rural areas	35 minutes	35 minutes	27 minutes	35 minutes
Fire fighters in post at year end	137	139	137	139
Total fire appliances at year end	22	23	23	25
Average number of appliance off the road during the year	Approximately 10% of vehicles at any given time	Approximately 10% of vehicles at any given time	Approximately 10% of vehicles at any given time	Approximately 10% of vehicles at any given time

The amount of fire appliances mentioned above is fire and rescue vehicles alone, not utilities and sedans. The average turn up time for first incidents achieved between 2 and 20 minutes and an average of 10 min was achieved.

The average turn up time for secondary incidents is between 20 and 35 minutes and an average of 27 minutes was achieved. The average amount of fire engines out of commission is approximately 10% of/or 2 vehicles at any given time. (Breakdowns, service etc.)

3.23.2 Fire and Rescue: Service Delivery Budget Implementation Plan

Fire and Rescue: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Professional and responsive municipal administration	Reaction time to call-out	Achieve 90 % of maximum turn-out time of 2 minutes	Achieved 90 % of maximum turn-out time of 2 minutes	Achieve 90 % of maximum turn-out time of 2 minutes	Achieved 90 % of maximum turn-out time of 2 minutes	Achieve 90 % of maximum turn-out time 35 minutes PS.PS. 01A
	Arrival time at first incident	Achieve 90% of maximum travel time of 20 minutes	Achieved 90% of maximum travel time of 20 minutes	Achieve 90% of maximum travel time of 20 minutes	Achieved 90% of maximum travel time of 20 minutes	Achieve 90 % of maximum turn-out time 35 minutes PS.PS. 01A
	Arrival time at second and other incidents	Achieve 90% of maximum travel time of 35 minutes	Achieved 90% of maximum travel time of 35 minutes	Achieve 90% of maximum travel time of 35 minutes	Achieved 90% of maximum travel time of 35 minutes	Achieve 90 % of maximum turn-out time 35 minutes PS.PS. 01A
	Developed Disaster Management Plan	Approved Level 1 Disaster Management Plan by 30 June 2012	Level 1 Disaster Management Plan approved by 30 June 2012	Approved level 2 Disaster Management Plan by 30 June 2013	Level 2 Disaster Management Plan approved on 28 June 2013	Approved 8 steps of Outcome 1 of Disaster Management Plan Level 3 by 30 June 2014 PS.PS. 04

3.23.3 Employees: Fire and Rescue

Employees: Fire and Rescue					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	1	1	1	0	0%
4 to 6	6	10	7	3	30%
7 to 9	60	57	43	24	42%
10 to 12	66	173	90	83	48%
13 to 15	0	6	0	6	100%
16 to 18	2	8	4	4	50%
Total	135	255	145	120	47%

3.23.4 Fire and Rescue Services : Financial Performance

Fire and Rescue Services : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	1,992,557	126,594	1,591,614	988,027	-38%
Expenditure:					
Employees	32,437,010	31,269,371	37,844,206	40,900,499	8%
Repairs and Maintenance	154,043	218,750	368,750	257,590	-30%
Other	4,339,512	6,890,942	5,299,516	4,434,477	-16%
Total Operating Expenditure	36,930,566	38,379,063	43,512,472	45,592,566	5%
Net Operational (Service) Expenditure	(34,938,009)	(38,252,469)	(41,920,858)	(44,604,539)	6%

3.23.5 Overall the Performance of Fire and Rescue Services (inclusive of Disaster Management)

Response Times

During the year 2012/13 the Municipality attended to more than 2246 calls within applicable South African National Standards (SANS Code) response time of 20 minutes for first calls and 35 minutes for the second calls in comparison to the 2 190 in the previous financial year. These calls included all household and property fires, veld fires, provided rescue and extrication service to both fire related and motor vehicle incidents and accidents.

Disaster Management

A Disaster Management Committee was established and all the different Clusters and Sedibeng District Municipality formed part of the Committee. An Event Safety Management Committee was established consisting of Traffic and Security, By-Law Unit, Environmental Health, Electrical, Metsi-a-Lekoa, Fire and Rescue, Emergency Medical Services, ELM Disaster Management and Waste.

The Section achieved the following during the reporting period:

Attended to 4 windstorms and 5 floods in 11/12 as opposed to 5 windstorms and 2 floods in 12/13 (natural related incidents).

- Emergency relief and support were given in the form of :
 - 552 x Blankets compared to 225 in the previous financial year;
 - 6 x Salvage Sheets were distributed in 12/13; 3 x Salvage Sheets were distributed in 11/12
 - 13 x Tents were distributed in 12/13; 1 x Tent was distributed in 11/12
 - 29 Referrals to food bank to assist families in need of relief in conjunction with Sedibeng District Municipality.

Other achievements

- A Disaster Management Committee was formed comprising of different departments within Emfuleni Local Municipality in order to coordinate all disaster related matters. The committee manage to conduct flood assessment and developed flood management response plans. A relationship was maintained with the South African Weather Services (SAWS) and early warnings are received which assists in the coordination of early response;
- The Disaster Management Plan Level 2 was developed, approved and caters for emergency relief to affected victims of fires and floods.

3.23.6 Fire Safety

Fire safety inspections were conducted to premises to prevent fires and limit dangerous hazards and enforced fire safety.

The following performance highlights were recorded in assisting the division to achieve its objective of bringing services closer to the people and improve their quality of life:

Fire Fighting Services

The Municipality attended to an increased number of fire related incidents due to the area that is constantly growing and natural disaster related incidents attended were also slightly more than the previous year. Incidents attended are as follows from the previous financial year:

- Formal House Fires from 363 in 11/12 to 345 in 12/13
- There was a reduction in the number of veld fires from 556 in 2011/12 to 405 in 12/13 due to the effectiveness of the Fire Protection Associations (FPA's) and the season which can be regarded as not so dry;
- Informal House Fires from 197 in 11/12 to 171 in 12/13;

3.24 MUNICIPAL COURTS

ELM is responsible for the rendering of municipal court services and provide administrative support to the judiciary to ensure timeous adjudication of municipal related cases such as municipal by-laws, building regulations, land use matters in terms of the Town Planning Scheme, health legislation, waste management legislation, traffic legislation, etc.

The administrative support includes the provision and implementation of court procedures and policies as determined by the Department of Justice and the National Prosecuting Authority, coordination of court processes and resources to move cases timely from filing to disposition and accurate record keeping of all case filings and court hearings for public review according to Statutes and Court Rules.

3.24.1 Service Statistics

Documentation processed:	2010/11	2011/12	2012/13
Section 56 Notices Captured	50 239	63 854	57 923
Section 341 Notices Captured	37 503	50 622	80 201
Camera Mailers printed	178 153	304 635	256 561
Summonses – Section 54's generated	40 268	43 766	38 418
Summonses served	13 982	23 743	16 639
Court rolls done	363	419	400
Cases on court register	53 240	52 342	78 048
Road blocks attended	139	168	134
Representations: Received	29 735	31 259	39 735
Finalized	43 462	46 614	22 369

Documentation processed:	2010/11	2011/12	2012/13
Help Desk Calls Reived	13 965	35 138	34 782
Warrants Executed	11 532	8 763	14 685
Warrants withdrawn	16 281	30 782	30 677
SMS sent to offenders	205 281	219 495	315 874
Receipts issued	95 298	136 733	111 968
Value of receipts issued	R25 644 380.80	R33 949 543.70	R 28 148 885
Annual documentation processed	697 649	963 439	694 773

Note: According to the Technical Committee on Standard Prosecution of all warrants not finalized within 24 months must be cancelled.

3.24.2 Municipal Courts Service Delivery Budget Implementation Plan

Municipal Courts Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Effective and efficient municipal administration	Capturing of Notices on the Contravention Management System (KPI amended and approved during 2012/13 mid-term)	Process, adjudicate and finalize 182000 transgressions	Processed, adjudicated and finalized 494136 transgressions	90 % Notices captured on the Contravention Management System	90 % Notices captured on the Contravention Management System	Process 438 000 Notices

3.24.3 Employees: Municipal Courts

Employees: Municipal Court					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	1	1	1	0	0%
4 to 6	5	13	3	9	69%
7 to 9	23	79	21	58	73%
10 to 12	1	7	1	6	86%
16 to 18	1	3	1	0	0%
Total	31	103	27	73	71%

3.24.4 Municipal Courts: Financial Performance

Municipal Courts : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	36,973,692	32,578,978	32,582,757	34,818,581	7%
Expenditure:					
Employees	8,793,036	8,784,596	8,912,993	8,826,325	-1%
Repairs and Maintenance	28,242	61,250	39,000	13,658	-65%
Other	11,879,936	15,011,611	11,344,823	11,775,319	4%
Total Operating Expenditure	20,701,213	23,857,457	20,296,816	20,615,302	2%
Net Operational (Service) Expenditure	16,272,479	8,721,521	12,285,941	14,203,279	16%

3.24.5 Municipal Courts : Capital Expenditure

Municipal Courts : Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	23,600,000	1,032,507	665,332	-97%	665,332
N:Est.New Mun Court In Sebokeng/Evaton	23,600,000	1,032,507	665,332	-97%	665,332

The project for the New Municipal Court In Sebokeng/ Evaton was budgeted through the MIG for the implementation on the current financial year with a total allocation of R 23,600,000 that was then adjusted to R 1,032,507. Of the adjusted budget allocation 64.4% was spent on professional fees ensuring execution readiness for implementation.

The delay was as a result of land issues that are undergoing legal processes. This then prompted reallocation of funds until these issues are resolved. The project could not be implemented and will be rolled over to the following financial year.

3.24.6 Overall the Performance of Municipal Courts

- The Department of Justice and the National Prosecuting Authority have since approved the application submitted regarding the establishment of the Evaton Municipal Court.
- The Municipal Courts Help Desk has received 34 782 telephone calls with regards to fine enquiries and payment. The Help Desk also received e-mail (5781) and fax (4753) enquiries during the past year. All enquiries received have been promptly dealt with in order to expedite the finalization of the relevant cases;
- During the financial year, income to the amount of R28 148 885 were collected whilst 78 048 cases were adjudicated, 45 362 warrants of arrest were finalized and 22 369 representations were considered by the respective Municipal Court Prosecutors;
- Monthly meetings were held between the Division and the Back Office Service Provider in order to ensure efficient contract management and sustained performance; and
- The Division has sustained adherence to time frames set by the Department of Justice and the National Prosecuting Authority and cases reflect accordingly on the Contravention Management System.

POLITICAL OFFICES AND THE MUNICIPAL MANAGER

3.25 INTRODUCTION

The Municipal Manager is responsible for the effective management of the administration, in line with the strategic intent of Political Leadership.

In keeping with a good codes of corporate governance standards Emfuleni Local Municipality has merged the Office of the Executive Mayor and Office of the Municipal Manager. This resulted in focusing on the municipal policy development and improved monitoring of service delivery that is line with the strategic objectives of the Municipality.

The merger of the two offices had a bearing on the following:

- The Municipal Manager serves as administrative head of the Office of the Executive Mayor;
- There is centralisation of functions that drives organisational efficiency and improved oversight;
- The Executive Mayor, assisted by the Mayoral Committee, leads the executive arm of the Municipality and is responsible for the strategic direction of the Municipality;
- The Municipal Manager is the manager of all municipal functions and is the Chief Accounting Officer, and
- The Municipal Manager runs the day to day operation of the Municipality.

3.25.1 Turn –Around Strategy

During the Past 3 years the Municipality adopted a turnaround strategy which was championed by the Municipal Manager. The strategy was an intervention to address deficiencies within the Municipality that resulted in an unsustainable delivery of basic services, poor performance of the municipality as well as negative opinions issued by the Auditor General.

This turnaround plan was aligned to the 3 year Integrated Development Plan to improve operational efficiencies and achieve financial sustainability.

INTERVENTION	PROGRESS/ACHIEVEMENTS (2012/13)
Decentralize Supply Chain	A lot of progress has been made in decentralizing supply chain through the appointment of various professionals in the unit to enhance capacity and improve supply chain turnaround. This has resulted in supply chain being able to handle projects in excess of 150 with actual spending of about R340 million.
Review of the Revenue Value Chain	The revenue function was reviewed including the appointment of new meter reader and reviewing of billing cycles. This resulted as well to customer data clean up and integration of customer meter data to GIS which assisted in improving billing accuracy. Billing accuracy since the data clean-up process not stand in the region of 90%.
Create a Revenue Management	Legal opinion for the creation of an agency was obtained and the

Agency	function has been ring fenced to commence with the process towards creating a revenue agency.
Implement a Performance Management System	A performance management system is in place and all section 56 employees are participating in performance management process and quarterly performance reports are submitted to Council and Audit Committee for approval.
Develop a compliant IDP	The IDP is compliant to all legislative requirements.
Development of a compliant Assets Register (GRAP 17)	A compliant assets register has been developed and is in the process of being automated with IMQS.
Establish Functioning Governance Structures	All governance structures in line with the Municipal Systems Act and Municipal Finance Management Act and are in place as well as operational.
Address all findings of the Auditor General	82% of all Auditor General findings were been resolved. The Municipality has since obtained an unqualified audit opinion and has reduced the AG findings from 114 to 39 during 2011/12 financial year.
Develop a risk management framework and strategy	Council has approved a risk management framework and a enterprise wide risk management plan is in place.
Liquidate the non -performing portion of the debtors book	Process for liquidation of debtors' book was concluded and contract has been signed for a cash injection of R240 million in the 2013/14 financial year.
Increase spending on MIG funded projects	101% of MIG was spending in the year under review.

In line with the Vision or a Metropolitan City the Table Below is summary of activities or way forward and future plans in Emfuleni Local Municipality. This are also echoed in the IDP.

3.25.2 Metropolitan City's Concept

In line with the Vision or a Metropolitan City the Table Below is summary of activities or way forward and future plans in Emfuleni Local Municipality. This are also echoed in the IDP.



3.25.3 Office Of The Executive Mayor :Financial Performance

Office of The Executive Mayor :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Councillor Allowances	743,051	848,141	1,048,314	785,131	-25%
Employees	7,620,865	9,050,418	8,274,502	8,044,289	-3%
Repairs and Maintenance	-	-	-	-	
Other	4,342,330	5,042,741	4,009,692	2,767,151	-31%
Total Operating Expenditure	11,963,195	14,093,159	12,284,194	10,811,440	-12%
Net Operational (Service) Expenditure	(11,963,195)	(14,093,159)	(12,284,194)	(10,811,440)	-12%

3.25.4 Office of the Speaker: Financial Performance

OFFICE OF THE SPEAKER OF COUNCIL :FINANCIAL PERFORMANCE					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Councillor Allowances	613,456	667,384	838,652	647,977	-23%
Employees	9,935,482	8,929,678	11,543,391	11,328,041	-2%
Repairs and Maintenance	-	-	-	-	
Other	2,749,243	4,732,029	4,230,312	4,034,614	-5%
Total Operating Expenditure	12,684,725	13,661,707	15,773,703	15,362,655	-3%
Net Operational (Service) Expenditure	(12,684,725)	(13,661,707)	(15,773,703)	(15,362,655)	-3%

3.25.5 Overall Performance of the Political Office and Municipal Manager

Aspirant to the clean audit, and after the receipt of the unqualified opinion, the Municipality is committed to strengthening of its controls, policy and procedures, develop action plans to address the findings raised by the Auditor-General.

As part of creating a performance orientated culture, the Municipality has implemented the following:

- Integrated the Municipal Managers' Office with the Political Offices in order to create synergy, streamline leadership and decision making between the two offices;
- Implemented a performance management system by contracting all Section 56 to a performance agreement defining the Municipal expectations;
- Implemented Operation Clean Audit (OPCA) plan as part of meeting the 2014 target of Clean Audit;
- Review delegations of authority with the intention to grant authority for the assigned tasks and moreover to ensure responsibility and accountability;
- Conducted a detailed transaction data analysis in procurement in order to eliminate fraudulent activities;
- The Municipality implemented King III framework of good corporate governance;
- The Municipality has established an operational MPAC which approved the 2011/2012 Annual Report without reservations;
- All section 80 and 79 Committees of Council are operational;
- Council has approved a process plan to establish a Revenue Management Agency in line with ELM Turn-Around Strategy;

- The Asset Register is GRAP compliant and automated (IMQS – a system) in order to talk to other systems of Council;
- The Municipality's risk level is at 3 as per the National Treasury assessment. This indicates that the Municipality's risks are identified and managed;
- A total of 16 policies were approved by Council;

3.25.6 Other Achievements:

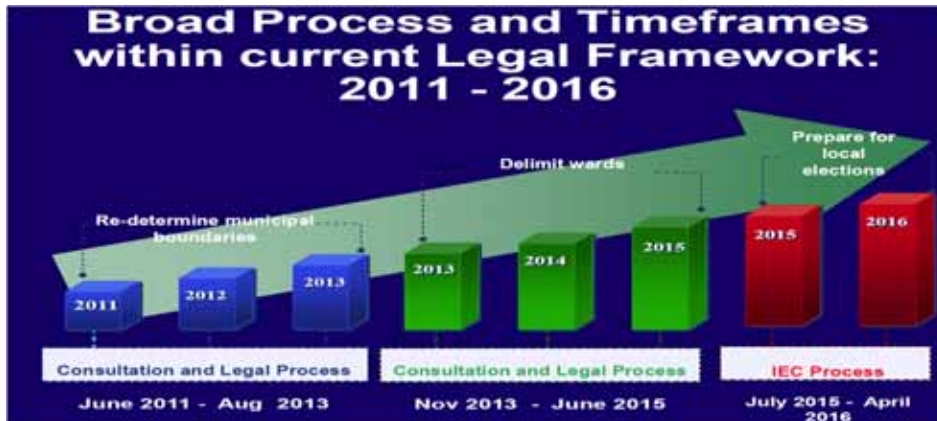
- IGR framework has been developed and IGR structures are in place;
- Enterprise wide Risk Management framework is in place;
- Anti- Fraud and Anti- Corruption plan is in place and monitored;
- 82 % of the 2011/2012 Audit Findings were resolved;
- 83 % of all internal audit findings were resolved;
- IT security policy and strategy are developed;
- Operational Performance Management
- Compliant IDP; and
- Compliant Website.

3.25.7 Municipal Demarcation Board Process

In June 2011 the Municipal Demarcation Board issued circular 1/2011 which provided legal provisions pertaining to the mandate of the MBD, the process and programme that would be followed from 2011 to 2016 for the redetermination of municipal boundaries to be considered by the Board.

An invitation was forwarded by the Municipal Demarcation Board to Emfuleni Local Municipality to apply for the re-determination of its Municipal Boundaries in line with circular 2/2011, the proposed redetermination of the municipal boundaries of Emfuleni Local Municipality (GT421), Midvaal Local Municipality (GT422), Sedibeng District Municipality, by amalgamating Emfuleni Local Municipality, Midvaal Local Municipality, in to a single Category A Municipality.

Emfuleni Local Municipality through the Office of the Speaker and Executive Mayor submitted a proposal to the Municipal Demarcation Board in line with the provisions of the Circular. To date the following process has unfolded in terms of the MDB ward re-determination process:



In line with the public consultation processes the following public hearings took place for there-determination of Municipal Boundaries in line with circular 2/2011 in Emfuleni Local Municipality:

The table below provides a progress of the application:

AREA	DATE OF MEETING	PURPOSE
Mafatsane Community Centre (Evaton)	2013	Public hearings on the demarcation Process
Sport Centre Soul Tsotetsi (Sebokeng)	12 March 2013	Public hearings on the demarcation Process
Vereniging City Hall	11 April 2013	Public hearings on the demarcation Process
Vereniging City Hall	06 August 2012	Public hearings on the demarcation Process

3.26 INFORMANTION COMMUNICATION TECHNOLOGY (ICT)

The Information and Communication Technology Services rendered to ELM users can be divided into the following categories:

- Operations,
- Technical Maintenance,
- Software Support, and
- Projects and Administration.

3.26.1 Service Delivery Priorities

ICT Strategic Planning

A five year ICT Strategy has been developed and presented to all appropriate Council committees and it will also be submitted to Council for approval. The five year ICT implementation plan has at best been aligned to the IDP and the 2012/13 implementation phase includes the ICT department SDBIPs for the 2012/2013 financial year. Each and every activity in the implementation phase is supported by a process plan that outlines the timelines and steps that will be followed from the start to completion to achieve that.

ICT Governance

An ICT governance framework has been developed and the ICT Governance committee members have been appointed. All the Municipality clusters will be represented in the committee so that an overall view of the Municipality's ICT requirements can be collated and be incorporated in the ICT Strategy implementation and align it to the IDP. The committee will monitor and measure on a continuous basis that the ICT function effectively supports the Municipality's mandate of efficient service delivery to the community.

ICT departmental structure

The ELM is in progress of establishing its own ICT function and the ICT structure has been developed and that will be submitted for approval by Council. The structure will ensure that the ICT department is well resourced to meet and support all the ICT requirements of the Municipality.

3.26.2 Service Statistics for ICT Services

The ICT department provide services to about 1500 users in the Municipality spread across the following areas:

Sites	Specific Areaa
Vanderbijlpark	Boipatong, Bophelong Sedibeng Evaton Residensia, PMU and Metsi
Vereeniging	Roshnee, Rus- ter- Vaal, Duncanville, Sedibeng Building and Leeuwuil

The access, installation, maintenance and support services that are granted to users on a need to use basis range from:

- Email,
- Internet and intranet,

- Fax-to-email,
- Voice Over Internet Protocol (VOIP),
- Venus,
- Payday, etc.

For the 2012/2013 there were 4607 calls that were logged by users and all were successfully resolved. An efficient and robust ICT infrastructure will be implemented as guided by the ICT Strategy Plan. Furthermore, a process to integrate the municipality's systems will be undertaken so that accurate information can be readily made available to the citizens.

The following *e*-Services will also be provided in the near future:

- Applications for public services, e.g. Healthcare, social grants, etc.,
- Census,
- Elections,
- eLearning,
- Access to forms and registers kept by the Municipality,
- Opening of businesses,
- Mobile access to Municipality's systems, and
- Access to information in private institutions, and so forth.

The installation of the regional fibre optic network has been resumed and once it is completed that will provide a resilient network connectivity for a fast transmission of information.

3.26.3 Information Communication Technology: Services Delivery Budget Implementation Plan

Information Communication Technology: Services Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Effective and Efficient Municipal Government	Wireless network connectivity infrastructure	R600 000	R340 768	R491 419	R491 419	R650 000
	Reviewed IT risk assessment	R900 000	R1 012 114	R895 000	R819810	R15 000 000
	IT Connectivity	R15 000 000	R19 000 800	R36 500 000	R25 096 700	R35 750 000

3.26.4 Employees: Information Communication Technology

Employees: Information Communication Technology					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	1	100%
4 - 6	4	4	4	4	100%
7 - 9	12	12	12	16	75%
Total	17	17	17	21	80.95%

3.26.5 Information Communication Technology :Financial Performance

Information and Communications Technology :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Employees	-	-	-	-	0%
Repairs and Maintenance	805,981	988,750	1,221,250	1,054,824	-14%
Other	10,770,234	13,250,694	10,190,457	8,811,742	-14%
Total Operating Expenditure	11,576,215	14,239,444	11,411,707	9,866,566	-14%
Net Operational (Service) Expenditure	(11,576,215)	(14,239,444)	(11,411,707)	(9,866,566)	-14%

3.26.6 Overall performance of Information Communication Technology

The five year ICT Strategy implementation plan has been aligned to the IDP and phase 1 commences in 2012/13 financial year with a budget estimate of R32 000 000 of the overall five year estimate budget of R125 650 000. There

is no allocated budget to the project as yet. A request for funding of R30 000 000 for the year one ICT implementation plan has been submitted to Treasury and it still subject to approval.

The normal daily ICT operations have been performed at a satisfactory level and these have been supplemented by development of ICT Policies to enhance governance and information security. Furthermore, the required software and hardware upgrades were done to improve systems performance and response times.

3.27 RISK MANAGEMENT

The Risk Management function at ELM forms part of Municipal Manager's cluster. It is regarded as one of the critical function and business solutions essential for successful organizations. Its objective is to guide the Municipality's process in terms of identifying risks and ensuring that controls are in place to minimize the potential impact of the risks on the achievement of institutional objectives. This is realized among other things, through the establishment of a functioning Risk Management Department and the setting up of systems to implement risk management at an enterprise-wide level as well as conducting regular Risk Assessments (developing risk registers), continuous monitoring and reporting. The Risk Management Department is made up of the Insurance, Occupational Health and Safety and Forensic Investigations Divisions.

3.27.1 Service Standards

Insurance Administration

Insurance is a key component of effective Risk Management within the Municipality as it provides for mechanisms of financing municipal risks. The municipality has for the 2012/13 period conducted an external review of insurance in order to review the adequacy of the Insurance cover as well as the functionality of the current insurance structure (the Aggregate Fund System).

For the year under review, a sum total of R 30 million was set aside for the Aggregate Fund held in an Investment account with a Banking Institution, to cover the Self-Insurance portion of the municipality's cover. The financial implications of the Insurance Policy are detailed as follows;

	*2011-2012	*2012-2013
Motor Aggregate	R 4, 000, 000. 00	R 5, 000, 000. 00
Buildings Combined Aggregate	R 16, 000,000. 00	R 25, 000, 000. 00
Totals	R 20, 000, 000.00	R 30, 000, 000. 00
Premium p/m	R 1, 404, 168. 26	R 1, 670, 102. 66
Premium p.a.	R 16, 682, 808. 00	R 20, 041, 231. 87

*Figures reflected as per renewal agreement

The above table highlights the Aggregate Fund summary in terms of the actual cover obtained by the Municipality, whereby the fund has grown by 50% in the 2012/13 period. The Brokerage Fees for the municipal broker, Lateral Unison Insurance Brokers, grew to R 5, 400, 000. 00 (2012/13) from R 4, 104, 000.00 (2011/12), which represents a growth of 31.6%.

The claims experience summary of the municipality for the period under review is as follows;

- (i) Motor Claims Registered: **R 714, 564. 28**
- (ii) Combined (Buildings and other) Claims Registered: **R 1, 177, 232. 40**
- (iii) Third Party Claims Registered: **R 2, 320, 246. 55**

All Insurance Claims repudiated but falling within the Access of the municipality are reviewed by the Legal Services Department. In terms of the Operations, all claims repudiated by the Insurance Division become the liability of the Operational Department in the instances whereby the claim is legitimate but falls outside of the Insurance cover.

An Insurance Action Plan was developed to address the deficiencies existing within the Insurance division as identified and reported on in the reports of Ernst & Young and EmpoweRisk respectively (***NB: Reports not a result of Forensic Investigations but Operational assessments***), whose mandates were to conduct an examination into the effectiveness of the existing insurance structure of the municipality. The findings of the said reports were largely focused on governance matters relating to the functioning of the Insurance division as well as in the adoption of the type of Insurance Structure, the Aggregate Fund System, used by the municipality. This action plan as previously reported on in the 2011/12 period is still relevant and in place.

The action plan aims to address among other factors the following;

- Development of operational policies and procedures,
- Recruitment and training of Staff,
- Enhanced inter-departmental communications and reporting,
- Relationship Management between the Municipality and the Broker;
- Establishment of Loss Control Systems (Consequence management), Etc.

Occupational Health and Safety

Occupational Health and Safety is an area concerned with protecting the safety, health and welfare of people engaged in work or employment. The goals of occupational health and safety programs include fostering a safe and healthy environment. Occupational Health and Safety may also protect co-workers, family members, employers, customers and many others who might be affected by the workplace environment.

The main focus in occupational health and safety is on three objectives:

- I. The maintenance and promotion of workers health and working capacity,
- II. The improvement of working environment and work to become conducive to safety and health, and

- III. Development of work organizations and working cultures in a direction which supports health and safety at work and doing so also promotes a positive social climate and smooth operation and may enhance productivity of the undertakings.

The concept of working culture is intended in this context to mean a reflection of the essential value systems adopted by undertaking concerned. Such a culture is reflected in practice in the managerial systems, personnel policy, and principles for participation, policies and quality management of the undertaking.

Policies and Procedures

The Occupational Health and Safety division under Risk Management department started the process of developing policies and procedures in the previous financial year. The approval of the policies and procedures is depended on relevant structures of Council. However, it is equally important to note that some of the draft policy and procedures are currently in the process of being approved.

These policies and procedures will indeed be communicated to all employees, and all other relevant stakeholders, they will further assist the organization in terms of providing clarity when dealing with issues and activities that are critical to health and safety, legal liability and regulatory requirements that have serious consequences. In line with our strategic objectives.

Training

The key purpose of any training is to improve effectiveness and productivity. Everyone needs training to do their jobs well. Internal training begins with induction program, enabling the employee to learn how to do the job, its purpose how it fits into the corporate strategy. Ongoing support is essential to keep up with changes to the working and corporate environment. One of the strategic objectives for Occupational Health and Safety Unit is to reduce the number of injury on duty cases through training, awareness campaigns and other programs. In line with our strategic objective, the Unit managed to conduct a number of training with limited resources.

The following are some of the achievements in terms of training and campaigns conducted:

- 39 employees trained as First Aiders,
- 140 newly employees inducted (including EPWP)
- 19 employees trained as Fire Marshalls
- Safety video shown to various departments
- Roadshows conducted on importance of wearing Personal Protective Equipment
- Compensation Fund Workshop and 338 employees were reached
- General Safety Training for employees
- Newsletter

Occupational Health and Safety Unit will continuously assist in terms of developing ELM employees for the betterment of the organization and to enhance service delivery.

Inspections

Section 8 of the Occupational Health and Safety Act 85 of 1993 places certain duties and responsibilities on the employer. These are in short and amongst others:

- To establish what hazards to the health and safety of employees are attached to any work, which is performed, and including articles and substances used.
- Taking steps necessary to eliminate or mitigate any hazard or potential hazard.
- Making arrangements to ensure the safety and absence of risk to the health of employees.
- Providing such information, instruction, training and supervision as may be necessary.
- And not to allow any employee to do any work unless above mentioned precautionary measures have been taken.

In the light of the above, the inspections focused specifically on occupational health and safety legal aspects. The health and safety representatives conduct their monthly departmental inspections. The inspections are then tabled at the sub committees. In addition, the safety officers are expected to conduct quarterly inspections and prepare a comprehensive report for the senior management of ELM and the Central Health and Safety Committee.

The implementation of the recommendations as reflected in the report is relied on Facility Management and the user the department. It should also be noted that four inspections were conducted in line with our plan and the reports thereof were availed to the user department and Facility Management. This report will form part of the Facility Management maintenance plan.

Compensation /IOD

Compensation for Occupational Injury and Diseases Act, 130 of 1993, is designed to provide compensation for disablement sustained or diseases contracted by employees during the course of employment or for death resulting from such injuries and/or diseases.

This Act introduced a legislative insurance scheme (Compensation Fund) whereby employers contribute to ensure that when employees are injured or contract a work related disease, they can claim from the fund not from the employer. The Occupational Health and Safety unit has been entrusted with the responsibility to ensure that ELM is in good standing with Compensation Fund.

The table below illustrate the total number of injury on duty cases reported to the office of the Compensation Commissioner:

CLUSTER	DEPARTMENT	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
MUNICIPAL MANAGER	Speaker	0	0	0	1
	Information Tech	0	0	0	2
	Performance Man & IDP	0	1	0	0
	TOTAL	0	1	0	3

CORPORATE SERVICES	Human Resources	0	1	0	0
	Secretariat	0	0	0	1
	TOTAL	0	1	0	1
BASIC SERVICES	Roads	0	0	1	9
	Electricity				
	Waste	9	2	6	8
	Fleet	1	1	1	0
	TOTAL	10	3	8	17
PUBLIC SAFETY	Parks	0	0	16	11
	SRAC	0	1	1	0
	Social Dev.	1	0	2	0
	Fire	4	2	3	5
	Traffic	1	0	0	1
	TOTAL	6	3	22	17
IPAM	Facilities	1	0	0	1
	PMU	0	0	2	0
	TOTAL	1	0	2	1
FINANCE	Budget	0	0	0	0
	Revenue	0	1	0	0
	TOTAL	0	1	0	0

Occupational Health services

Occupational health should aim at the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the protection of workers in their employment from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to his/her physiological and psychological capabilities.

Its main objective is to provide occupational health services for all working people in the working environment, regardless of mode of employment, size of workplace or geographic location, the services includes the following but not limited to the listed below:

- Surveillance of work environment and risk assessment
- Health surveillance and health examination
- Advice on preventive and control measures
- Health education and health promotion, and promotion of work ability
- Maintaining preparedness for first aid and participation in emergency preparedness
- Diagnosis of occupational diseases
- Record keeping.

It is important to note that the medical surveillance program was drafted and adopted, the program was designed to address issues of occupational health that are directly affecting employees at work environment. Nonetheless, the unit was able to do more than expected, despite operating on a limited resources and shortage of staff.

3.27.2 Risk Management : Service Delivery Budget Implementation Plan

Risk Management : Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
Service Indicators		Previous Year	Previous Year	Current Year	Current Year	Following Year
Good Governance and Public Participation	Risk Management	Developed Risk Management Strategy	Revised target in SDBIP	Reviewed and Implemented Risk Management Framework	Reviewed ERM Framework approved by Council 11 December 2012	Achieved risk maturity level 4
		Completed risk assessments	Achieved- Risk Assessment Report tabled on the 27 th of June 2012	Implemented Risk Management Strategy	Revised target in SDBIP	-
		Updated risk register	Risk Assessment Report tabled on the 27 th of June 2012	Reviewed Risk Register	Strategic Risk Register revised by 30 April 2013 and Operational Risk Registers by 30 June 2013- 65% Coverage achieved on the review of Operational Risk Registers	-
		-	-	Reviewed business	Revised target in SDBIP	-

Risk Management : Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
Service Indicators		Previous Year	Previous Year	Current Year	Current Year	Following Year
				resilience		
	Anti-fraud and Anti-corruption Management	Reviewed Fraud Prevention Plan	Fraud Prevention Plan approved by RMAAC on the 25 August 2011	Implemented Fraud Prevention Plan	Revised Fraud Prevention Plan approved by RMAAC 01 August 2013 and reported on quarterly at RMAAC	Conducted Anti-fraud and Anti-corruption Awareness Programme
		-	-	Reviewed and Implemented Anti-Fraud and Corruption Strategy	Anti-Fraud and Corruption Strategy revised and approved by the Risk Management, Anti-fraud and Anti-corruption Committee. The strategy awaits approval through Section 80, Mayoral Committee and Council.	-

Risk Management : Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
Service Indicators		Previous Year	Previous Year	Current Year	Current Year	Following Year
	Occupational Health and Safety Management	Compliance with occupational health and safety legislation	60% Achieved on Set Criteria	Implemented Occupational Health and Safety Plan	OHS Plan Developed and first draft tabled at Senior Management. Final draft due for final resubmission and approval.	Conducted Occupational Health and Safety Awareness Programme of Action
		-	-	Reviewed Occupational Health and Safety Policy	OHS Policy revised and due to be tabled at Section 80 to go for Council approval.	-
		-	None	Developed Personal Protective Equipment (PPE) Policy	PPE Policy developed and due for final consultation and approval.	-
	Insurance Administration	Submission of Insurance claims on time to Broker	100% Achieved	Developed Insurance Procedures	Insurance procedures developed and communicated to user departments in November 2012.	Developed Insurance Administration Policy

Risk Management : Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
Service Indicators		Previous Year	Previous Year	Current Year	Current Year	Following Year
		-	None	Compliance with insurance procedures	100% claims of claims reported to Insurance Division reported within 24 hrs. to broker	-

3.27.3 Employees: Risk management

Employees: Risk Management					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	04	01	03	75 %
4 - 6	-	05	05	0	0 %
7 - 9	-	04	01	03	75 %
10 - 12	-	05	04	01	20 %
Total	-	19	11	9	47 %

3.27.4 Risk Management :Financial Performance

Risk Management :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	87,538	-	-	5,300	
Expenditure:					
Employees	863,876	981,960	984,335	1,853,312	88%
Repairs and Maintenance	-	-	-	-	
Other	6,151,456	17,280,160	2,709,248	2,170,641	-20%
Total Operating Expenditure	7,015,332	18,262,120	3,693,583	4,023,953	9%
Net Operational (Service) Expenditure	(6,927,794)	(18,262,120)	(3,693,583)	(4,018,653)	9%

3.28 COMMUNICATIONS

The Communication Department within the Municipality has a mandate of promoting a culture of effective communication in the Municipality. In fulfilling this responsibility it provides marketing, communication and branding services and supports departments to promote their projects and programmes. It is also responsible for improving the image of ELM to both internal and external stakeholders.

The following focus areas were service delivery priorities the year under review:

- Marketing;
- Branding; and
- Events Management

3.28.1 Key Deliverables

Branding

A total number of 122 municipal events were professionally branded to profile and maintain the presence of the municipality within its residents and stakeholders for the financial year 2012/13. These include:

- Integrated Development Plan stakeholders' meetings, Council sittings, State Of the Municipality's Address by the executive mayor, 2012 Vaal River Carnival programme, Human Rights programme and events from different departments in the municipality e.g. Revenue Summit.
- Gauteng Province Government events in which the municipality was in partnership with.
- Partnership events hosted such as Eindhoven municipality, Quzhou Municipality

Corporate Identity

Marketing and Branding unit has developed Emfuleni Corporate Identity Manual which has recently been approved by council and it is also available on our website. In terms of Implementation of CI Manual the following has been done;

- A template consisting of all office stationery (letterheads, office memo etc) was distributed to all departments for application.
- Business cards for managers and various departmental heads have been developed
- An Automated E-mail Signature and Email Disclaimer to be incorporated into emails of all Emfuleni users. An instruction was issued out by Acting Manager: Communications to comply with this instruction.
- Plans have been submitted for the branding of the municipal buildings including, reception at main building as well as surrounding areas.
- A billboard at main building was renewed with the new slogan of the Municipality
- Signage and name identification boards at the new offices have been placed.
- Monitoring the use of corporate colours and logo and advice where necessary.

Main Events Covered:

There is an event management committee in place. The purpose of the committee is to plan and coordinated the official events of the Municipality.

The following events were covered:

- o *Revenue Summit:* The department together with Revenue Management Department hosted the Revenue Summit which kick-started on the 24th of January 2013 at Mphatlalatsane Hall, followed by Vereeniging City Hall on the 29th and Mafatsane Thusong centre on the 30th. The purpose of the summit was to open up dialogue with the residents in respect to service delivery payments.
- o *Human Rights Month:* The department in conjunction with LED organized and hosted Human Rights Exhibition that took place on 21st March 2013;
- o *ELM Wellness day:* The department also played an active support role with organizing of the ELM Wellness day;
- o *Emfuleni Wedding Expo:* The department was fully involved in organising Emfuleni Wedding Expo that took place in May 2013;
- o *Vaal River Carnival:* The Municipality hosts this event annually. It develops a marketing strategy for the programme every year and normally the strategy will be implemented during the first week of August. A number of promotional material are usually developed for Vaal River Carnival, these include, brochure booklets, Calendar, leaflets, Car and Truck stickers, Print Adverts etc.
- o A total number of 550 tickets were printed, 100 were VIP complimentary, 50 were complimentary and 400 were meant for sales.

3.28.2 Employees: Communications Technology

Employees: Communications					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3		4	3	1	25
4 to 6		8	5	2	62

3.28.3 Communications:Financial Performance

Marketing, Communications and Branding :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Employees	-	-	-	-	
Repairs and Maintenance	-	-	-	-	
Other	457,912	376,022	307,118	218,606	-29%
Total Operating Expenditure	457,912	376,022	307,118	218,606	-29%
Net Operational (Service) Expenditure	(457,912)	(376,022)	(307,118)	(218,606)	-29%

3.28.4 Achievements

Strategy: The Marketing and Communication guiding communication activities which include Council programmes, publications, media relations, events, public participation and branding has been developed. The strategy is reviewed on an annual basis.

Newsletters and website: Approximately 12 internal newsletters were published which focused on matters affecting employees of Emfuleni Local Municipality. In the 2012/13 we continued with both the external newsletters which are published on a quarterly basis. The newsletter comprise of a print run of almost 15 000 copies which will be increased depending on the interest shown by the community.

Website: The website has been enhanced to provide information relating to:

- o Information of tenders including a functionality which provides for supplier to subscribe and receive regular updates on tenders and request for proposals.
- o Job opportunities, Traffic fines, a portal for Audit Committee Members, Departments and what they do Annual and Quarterly reports, Budgets and financial statements, Speeches and articles, Interactive platform where residents can send their enquiries or complaints or messages, Information on contacts for revenue management and meter reading.

Lastly, the website continues to be an important source of information for various stakeholders with daily hits averaging over 484 000 hits a day.

Media Relations: Over 60 media releases were issued on a variety of issues relating to ELM programmes and Media monitoring is also done on a regular basis to track coverage of the municipality by various media houses. Good

relations have been established with both local and regional media organizations which have contributed in terms of positive coverage of the municipality.

Media Liaison: Almost 5 media conferences were convened dealing with a variety of issues affecting the municipality including among others, profiling programmes of the municipality, State of the Municipality Address, events and political developments with the Municipality.

Extensive use of electronic media: The communication unit has used the following radio stations during the last year for among others to promote the Vaal River Carnival, IDP consultation meetings, and Demarcation Board Public Participation processes on the proposed merger of three municipalities in the Sedibeng District, revenue enhancement campaigns and municipal events

The following media organizations were utilized:

Radio	News papers
Theta FM	Sowetan
VUT FM	Beeld
Vaal community radio	Vaal weekly
SABC radio stations	Courier publication
Radio 702	City Press
Kaya FM	

3.29 PROPERTY MANAGEMENT

Property Management Department in Emfuleni Local Municipality is responsible for the management of Council owned properties and vacant land for different purposes and the acquisition of land for municipal purposes if necessary. It is further responsible for access monitoring applications and registration of servitude over Council owned land.

3.29.1 Service Standard Property Management Legal

The Property Management executes the sale of Council property by submitting reports to Council for consideration. Council must consider whether the property is needed for basic municipal services before there may be proceeded with the supply chain processes.

The fair market value must be submitted to Council for consideration. The department may proceed with the Supply Chain processes for the disposal of the relevant processes after the approval of the market value has been obtained from Council.

The lease of Council property and vacant land must be executed in accordance of the Assets Transfer Regulations (2008) which forms part of the Municipal Management Finance Act (56 of 2003). The lease procedures are contained in the Supply Chain Policy on Land which deals with the disposal of Council fixed Assets. The department works very closely with the Legal Department by ensuring that all legal documents are scrutinised by the legal department before signature on behalf of Council.

3.29.2 Employees: Property Management

Employees: Property Management					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3		1	1	0	0%
4 to 6		9	8	1	11%
7 to 9		3	1	0	0%
Total	0	13	10	1	8%

3.29.3 Property Management :Financial Performance

Property Management :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	1,869,014	2,713,406	2,713,406	1,106,455	-59%
Expenditure:					
Employees	3,890,305	3,906,089	4,661,534	4,684,207	0%
Repairs and Maintenance	-	-	-	-	
Other	233,544	422,322	340,263	229,023	-33%
Total Operating Expenditure	4,123,849	4,328,411	5,001,797	4,913,229	-2%
Net Operational (Service) Expenditure	(2,254,835)	(1,615,005)	(2,288,391)	(3,806,774)	66%

3.29.4 Overall performance of property services

- The lease register is updated very effectively and the department has engaged on renewals on a month to month basis, where agreements could not be renewed due to non-compliance/non-payments and outstanding legal processes.
- The department is managing the lease register which is a data base of lease agreements on Council owned properties and vacant land. The financial details on the data base is updated on a monthly basis by finance department and the expired lease agreements is followed up six months prior to expiry of the agreements.
- The Property Department is responsible for the administrative processes with regard to the renewal of the expired agreements and the submission of the new lease agreements to be considered by the relevant committees or delegated authority.
- Notices are served on a monthly basis to non -compliant occupants.
- The Department has submitted the sale of the first batch of 13 properties to Council for consideration. Council has approved the sale of these properties on 25 August 2012.
- A Disposal Policy which is based on the Asset Transfer Regulations (2008) was approved by Council during August 2011. All sale and lease procedures are prescribed by the policy and other relevant legislation i.e. The Municipal Management Finance Act (56 of 2003) and the local Government Ordinance (17 of 1939).
- Thirty three (33) lease reports approved by the Deputy Municipal Managers under delegated authority.

CORPORATE SERVICES

3.30 INTRODUCTION

Corporate Services is one of the Clusters within the municipality. The core objective of the Cluster is to provide strategic support to all municipal Clusters and Departments. The support being provided amongst others include the following:

- provision and management of the human resource;
- creating institutional capacity through the design and implementation of individual and organizational development interventions including structural alignment;
- promotion of sound labour relations and facilitation of healthy working relations with trade unions;
- provision of legal services and advice;
- provision of secretariat; auxiliary support, archiving function, printing and telephony;
- provision of political support to Council and its Committees; and
- policy development and advice;

3.31 HUMAN RESOURCES

The Human Resources Department is well established and its primary objective is to render an effective as well as innovative HR service that addresses both skills development and administrative function. The functions of the department comprises of the following:

- Recruitment
- Training and Development
- Personnel Administration
- Leave Management
- Benefit Administration

3.31.1 Service Statistics of Human Resources Services

The following service terminations were processed during the financial year 2012/2013:

Resignations	Dismissals	Medical Boarding	Deaths	Retirements	Contract terminations	Total
30	1	4	39	46	12	132

3.31.2 Human Resources: Service Delivery Budget Implementation Plan

Human Resources: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Professional and responsive municipal administration	Administered staff appointments	Number of appointments requested versus made (259)	259	% staff appointed within 3 months from receipt of G47 by HR	330	% vacancies advertised (number of vacancies advertised/number of G47's received)
	% of labour relations matters addressed	90% of all matters lodged	Disciplinary Cases: 62.8 Grievances 89.5%	90% of all matters lodged	Disciplinary Cases: 14.3 Grievances 92.9	90% of all matters lodged
	Approved Workplace Skills Plan	LGSETA by 30 June	Submitted by 30 June LGSETA	LGSETA by 30 June	Submitted by 30 June 2013 to LGSETA	Submit the report to LGSETA by 30 June 2014

3.31.3 Employees: Human Resource Services

Employees: Human Resource Services					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	3	3	0	0%
4 - 6	12	24	13	11	46%
7 - 9	2	18	15	3	17%
10 - 12 (7-16)	17	3	2	1	33%
Total	35	48	33	15	31.3%

3.31.4 Human Resources : Financial Performance

Human Resources : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	3,115,587	13,314,887	1,000,000	3,069,155	207%
Expenditure:					
Employees	13,815,327	14,634,753	14,281,093	13,825,587	-3%
Repairs and Maintenance	3,130	19,030	15,224	2,267	-85%
Other	3,887,161	7,067,472	5,946,694	6,307,854	6%
Total Operating Expenditure	17,705,618	21,721,255	20,243,011	20,135,708	-1%
Net Operational (Service) Expenditure	(14,590,031)	(8,406,368)	(19,243,011)	(17,066,553)	-11%

3.31.5 Overall Performance of Human Resource

The following performance was registered:

- Physical verification of 2 787 employees;
- Filling of critical vacancies amongst the 330 total vacancies;
- Review of the HR Procedure Manual;
- Training of selected staff members on the employee self-service for leave applications;
- Reviewed Standard Operating Procedure with Pay-Roll;
- On time submission of the Work Place Skills Plan (WPSP) and Training Plan with LGSETA;
- Introduction of a single brokerage for employee benefit administration;
- Successfully organized and hosted the 2012 Year-End function for all employees; and
- Council approved policies (Recruitment and Selection, Leave and Code of Ethics).

3.32 LEGAL SERVICES

The Legal Services is one of the departments forming the Corporate Services Cluster. The department offers legal support and advice to the municipality. The support offered includes, but not limited to:

- vetting of contracts;
- legal opinions;
- policy development and advice;
- advice on legislation and its application/implication;
- drafting and advising on by-laws;
- legal compliance; etc

Service Statistics

Matters and progress made by 30 June 2013:

Status Quo On Cases	Number Of Cases
Total matters	79
Rulings in favor of ELM	19
Rulings against ELM	04
Pending	51
Abandoned	05

3.32.1 Legal: Service Delivery Budget Implementation Plan

Legal: Service Delivery Budget Implementatio Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Previous Year	Previous Year	Current Year
Effective and efficient Municipal Governance	Developed and reviewed By- laws	20 By-laws to be promulgated.	20 By-laws drafted	20 By-laws to be promulgated	8 By-laws work-shopped for councilors and 1 were promulgated.	7 By-laws to be promulgated.
	Legal compliance management	-	-	Development and approval of the legal compliance register.	Legal compliance register approved by council	Development of the process plan iro the approved legal compliance register.
	Litigation Management	Development of litigation register and contingency register	Maintenance of the litigation register and contingency	Maintenance of the litigation register and contingency register	Maintenance of the litigation register and contingency register	Maintenance of the litigation register and contingency register

3.32.2 Employees: Legal Services

Employees: Legal Services					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No	No.	%
0 to 3	0	4	0	4	100.00%
4 to 6	5	13	7	6	46.15%
7 to 9	1	4	1	3	75.00%
Total	6	21	8	13	61.90%

3.32.3 Legal Services : Financial Performance

Legal Services : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Employees	3,732,748	4,558,180	4,399,096	4,377,150	0%
Repairs and Maintenance	-	-	-	-	
Other	3,935,440	4,287,550	5,715,960	7,319,776	28%
Total Operating Expenditure	7,668,188	8,845,730	10,115,056	11,696,926	16%
Net Operational (Service) Expenditure	(7,668,188)	(8,845,730)	(10,115,056)	(11,696,926)	16%

3.32.4 Overall Performance of Legal Services

The following achievements were registered by the department:

- Development and approval of the Legal Compliance Framework;
- Promulgation of the Assessment Rates By-law;
- Drafted and work-shopped seven By-laws; and
- Successfully defended and resolved 19 litigations
- Advised on 16 policies (all approved by Council)

The Municipality is in the process of finalizing the following key projects/interventions:

- Finalization and approval of the System of Delegations
- Develop an Implementation Plan for the Legal Framework and monitor its implementation
- Finalize the constitution of the Panels of Attorneys
- Promulgate seven By-laws

3.33 SECRETARIAT

The Secretariat and Administration Department forms part of the Corporate Services Cluster and it is responsible for the provision of support functions to the Municipal Council and all its Committees, as well as all Clusters and Departments.

The co-ordination of meetings and archiving focuses mainly on the following:

- Co-ordination and sequencing all reports;
- Keeps safe and updates Delegations of Authority and Policy Register;
- Track and follow up on the implementation of Mayoral Committee and Council resolutions;
- Provision of a central archive and registry service;
- Provision and management of printing services;
- Maintains and facilitates switchboard service; and
- Safekeeping of contracts and agreements.

3.33.1 Service Statistics

Secretariat attended all meetings and ensured accurate compilation of minutes as required. The following meetings were facilitated and supported:

- Council (89 members with two vacancies which were reported);
- Mayoral Committee (comprising of ten members);
- 23 Senior Management Team (SMT);
- 26 Extended Senior Management Team (ESMT);
- Section 80 Committees (ten Committees);
- 6 Section 79 Committees; and
- 6 Ad-hoc Committees

Council Sittings

ASPECT	2012/2013
Number of Ordinary Sittings	6
Number of Special Sittings	10
Number of Resolutions taken by Council	176

Mayoral Committee Sitings

ASPECT	2012/2013
Number of Ordinary Sitings	36
Number of Special Sitings	4
Number of Resolutions taken by Mayoral Committee	247

Section 79/80 and other Committees:

NAME OF COMMITTEE	ACTUAL NUMBER OF SITTINGS
Section 80	
Corporate Services	9
Finance	13
Health and Social Development	4
Housing	9
Infrastructure, Electricity, Water and Sanitation	9
LED, Tourism and Development Planning	8
Public Safety	5
Public Transport, Roads and Public Works	2
Sport, Recreation, Arts and Culture	3
Waste and Landfill Management	4
Total	66
Section 79	
Audit	13
Audit Steering Committee	39
Ethics	0
Gender	0
Land Tribunal	28
MPAC	11
Petitions	1
Total	92
Other	
Bid Adjudication	17
IDP Steering	7

Budget Steering Committee	2
LLF	0
Performance Audit Committee	5
Remuneration	4
Information Technology (new)	2
Risk Management, Anti-Fraud and Anti-Corruption Committee	4
Total	41

The following list indicates various other meeting sittings:

NAME OF COMMITTEE	ACTUAL NUMBER OF SITTINGS
Ordinary Senior Management	28
Special Senior Management	0
Ordinary Extended Senior Management	27
Special Extended Senior Management	0

3.33.2 Secretariat: Service Delivery Budget Implementation Plan

Secretariat: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Effective and Efficient Municipal Government	72 Hours before the commencement of the meetings.	10 Council Meetings	12 Council Meetings	9 Council Meetings	16 Council Meetings	9 Council Meetings
		23 Mayoral Committee meetings scheduled.	23 Mayoral Committee meetings held	23 Mayoral Committee meetings scheduled.	40 Mayoral Committee meetings held	23 Mayoral Committee meetings scheduled
	Implement Quality System	Train the departments in Municipal Manager's Cluster	Three clusters (3) were trained: MM, EDP and CS	Train other departments in three (3) clusters	Seven clusters (7) were trained: EDP, CS,MM, IPAM, BS, PS and CD	Continuous training for all clusters

3.33.3 Employees: Secretariat

Employees: Secretariat					
Job Level	2011/2012	2012/13			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	2	4	2	2	50.00%
4 to 6	6	11	8	3	27.27%
7 to 9	10	24	9	5	20.83%
10 to 12	7	8	7	11	137.50%
13 to 15	2	2	2	0	0.00%
16 to 18					
Total	27	49	28	21	42.86%

3.33.4 Secretariat: Financial Performance

Secretariat And Administration : Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	59,337	-	-	63,970	
Expenditure:					
Employees	9,420,232	10,612,579	12,255,778	9,542,155	-22%
Repairs and Maintenance	16,587	6,233	4,986	-	-100%
Other	6,288,809	7,157,825	8,365,463	10,459,193	25%
Total Operating Expenditure	15,725,628	17,776,637	20,626,227	20,001,348	-3%
Net Operational (Service) Expenditure	(15,666,291)	(17,776,637)	(20,626,227)	(19,937,378)	-3%

3.33.5 Overall performance of Secretariat

The Department performed well in the following areas:

- All sittings of Mayoral Committee and Council were successfully coordinated and supported.
- Finalization of Minutes of various Committees on time.
- All SMT/ESMT meetings were successfully coordinated and supported.
- Action Lists issued to Council and Mayoral Committee timeously.

- In terms of Standing Orders distributed Agendas and Minutes within 72 hours before the commencement of each meeting.
- Telephone infrastructure upgrading was finalized.
- A total of 140 telephone faults were reported to the provider and resolved.
- A sum total of 43 contracts and agreements and 17 policies were archived and are easy to access.
- Training of Clusters on Quidity System (Records) in targeted Clusters; 55 staff members were trained; efforts are made to encourage all Clusters to make full use of Quidity to maximize its value add to the organization.
- 100% achieved on all mail collected and dispatched.

INFRASTRUCTURE PLANNING AND ASSET MANAGEMENT

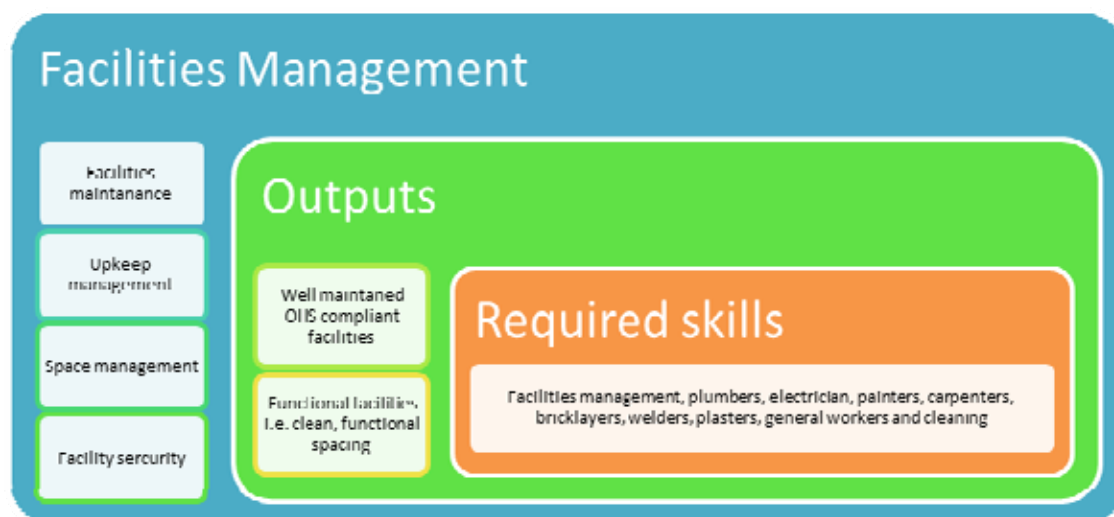
3.34 INTRODUCTION

The Infrastructure Planning and Asset Management Cluster was established after a resolution by Council to address challenges hampering infrastructure delivery. It was established to improve project delivery by re-engineering business process that affects project performance. This re-engineering intended to improve delivery of projects, stakeholder management information sharing and also improve means of communication.

The cluster consists of four departments, namely Facilities, Fleet, Asset Management and Project Management Unit (PMU).

3.35 FACILITIES MANAGEMENT

The facilities department plays a critical role at enhancing the working environment of all Emfuleni Local Municipality employees. This department impacts on multiply facets of the employees comfort from their parking to an OHS act compliant building. The full portfolios of the department's services are presented in figure 3.40.1 below. These services are facilities maintenance, upkeep management, space management and facilities security. At the moment due to limited resources the department is mainly focusing on corrective maintenance which is also in line with legislative maintenance. In parallel to this there is a commitment from council to address backlogs on preventative maintenance. The security function as from July 2013 will move to Public Safety to leverage on the security capacity that cluster is building.



3.35.1 Facilities Management :Financial Performance

Facilities Management :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Employees	10,778,882	11,654,022	11,449,672	11,579,364	1%
Repairs and Maintenance	447,090	8,260,257	2,608,206	2,379,664	-9%
Other	19,826,236	34,002,512	35,763,027	34,168,925	-4%
Total Operating Expenditure	31,010,772	53,916,791	49,820,905	48,127,953	-3%
Net Operational (Service) Expenditure	(31,010,772)	(53,916,791)	(49,820,905)	(48,127,953)	-3%

3.35.2 Facilities Management : Capital Expenditure

Facilities Management : Capital Expenditure					
Capital Projects	2012/13				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	5,000,000	5,000,000	3,907,577	-22%	3,907,577
R:Office Renovations	5,000,000	5,000,000	3,907,577	-22%	3,907,577

3.35.3 Overall performance of the Facilities Management

During the year under review the parking policy regarding the allocation of parking to employees, was drafted and approved by Council.

To provide both corrective and preventive maintenance on all planned facilities such as painting of the electrical department and renovated Ruster-Vaal community hall:

- The number of security deployment has been increased to reduce the number of incidents. The security is up to standard across all municipal facilities;
- Office accommodation was secured in two buildings to address issue of office space; these were in OKBazaar and Vaal Gate with occupation of both buildings to be around August 2012..

The cleaning of Emfuleni facilities has improved due to proper planning and programmes by the department. EPWP deployment has assisted in ensuring there is enough capacity.

During the reporting period, new lifts and also central air-conditioners were installed at ELM Head Office.

3.36 ASSET MANAGEMENT

There has been significant progress towards proper management of municipal infrastructure assets during this financial year. Asset Management as a function is managed in two cluster finance and IPAM, the immovable items are managed by IPAM while the themovable are managed by finance cluster. The asset register will be consolidated into IMQS, which is a new system that will be used to manage all assets going forward. The movable assets are still managed on BAUD which has been integrated successfully into IMQS to ensure consolidation.

Emfuleni Local Municipality has delivered asset register that is in compliant with GRAP 17 standards on a manual system on the 11/12 financial year and intends delivering another compliant register on the IMQS system on the 12/13 financial year.

3.36.1 Assets Management :Financial Performance

Assets Management :Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Employees	169,429	39,600	1,130,215	996,069	-12%
Repairs and Maintenance	-	43,749	34,999	-	-100%
Other	11,275	189,728	151,782	9,168	-94%
Total Operating Expenditure	180,705	273,077	1,316,996	1,005,238	-24%
Net Operational (Service) Expenditure	(180,705)	(273,077)	(1,316,996)	(1,005,238)	-24%

3.36.2 Overall performance of the Asset Management department

The overall performance of Asset Management is summarized as follows:

- Council achieved a GRAP 17compliant FAR.
- During the same period of reporting, IMQS was appointed to come up with asset management system.
- The IMQS software was installed and end-users trained
- Asset management plans have been drafted and are going through the approval processes
- Asset Management Policy has been drafted and are going through the approval processes
- CMIP has been drafted also going through the approval processes

3.37 FLEET MANAGEMENT

The Fleet Management Department is responsible for the day-to-day running of vehicles and related equipment. This Department is divided into two, the Fleet Services and the Fleet maintenance.

Fleet Services function is mainly responsible for the following:-

- The fleet asset register
- Maintenance coordination
- Legal Compliance in terms of Occupational Health and Safety Act
- Administration support

Fleet Maintenance function is mainly responsible for the following:

- Vehicle maintenance
- In-House and Outsourced maintenance
- Scheduled and responsive maintenance and/or repairs

3.37.1 Overall performance of the Fleet Management

Fuel monitoring programme

The Municipality has managed to implement the effective fuel monitoring system to reduce the excessive loss of fuel. About 2 244 627 liters of fuel was ordered during the 2012/2013 financial year. The Department managed to save on the losses, only 18 876 liters of fuel were lost during this financial year. As compared to the previous financial losses of about 54 342 liters there is an improvement which shows that the control in place has paid off.

Vehicle Availability

The Municipality has managed to get vehicles available to the service delivery departments mostly. About 3732 Jobcards were opened during 2012/2013 financial year for vehicles to be repaired. About 3 383 jobcards were for Service delivery Departments and 349 for non-Service Delivery Departments. The average vehicle availability for the financial year was 63%.

3.38 FINANCE

The Municipality has preserved sound and sustainable management of its affairs and implemented efficient, effective and transparent financial management system as regulated by the Municipal Finance Management Act.

The municipal overview of financial indicators was assessed to enable timely remedial actions where financial health and service delivery seems to be at risk. The municipality has produced results that meet the needs of the society while making the best use of resources at the disposal.

The Municipality's financial management strategy took into account the three interlinked principles, namely

- o Budgeting, financial control and reporting
- o Revenue and Debt Management
- o Supply Chain and Expenditure Management

The adoption of the above principles ensured proper planning, accountability, controls and monitoring as evidenced by the audit outcome. This enabled potential risks and threats to be detected timely and addressed accordingly, segregations of functions to avoid colluding, and adoption of relevant policy frameworks as basis for a healthy financial position.

Budgeting and Financial control and reporting

It is the fundamental approach for any institution to have a proper financial plan which will advice/inform whether its objectives will be realized. ELM, also adopted the approach as informed by the requirements of MFMA, to ensure that the attainable cash resources are well planned for, properly accounted for on receipt and transparently reported to all stakeholders.

Revenue and debt management

The above component is crucial as it's the determining factor, whether adequate and credible financial planning was realized, and affects the ability for any institutions to meet its obligations. The major challenge on the revenue management cycle, is the ability to recover/collect all monies due, resulting in a healthy cash flow.

ELM is no exception in this regard, as the municipality has been experiencing an ever increasing debtor's book. Upon realizing the above, council took a crucial step and resolved on the establishment of the revenue entity. Approaching the end of the financial year 2011/12, the commencement stage of the ring-fencing of the revenue agency was realized on the appointment of the crucial positions, to be the driving force to attain the council resolution.

The focus during the 2011/12 financial year was to assess the entire revenue cycle, for which the outcomes revealed among others, billing deficiencies, unavailability of integrated client services, and adequate collection processes. Another bold step taken, include the appointment of the debtors collectors to assist with curbing the material debtors' book, for which the results were fairly visible as illustrated in the below table.

3.38.1 Debt Recovery

Debt Recovery									
R' 000									
Details of the types of account raised and recovered	2009/2010			2010/2011			2011/2012		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	277,123	192,708	70%	312,058	224,993	72%	353,966	246,724	70%
Electricity - B	58,812	42,810	73%	70,859	53,362	75%	86,441	60,348	70%
Electricity - C	841,461	774,146	92%	1,020,506	944,971	93%	1,271,953	1,187,732	93%
Water - B	166,327	10,464	6%	190,246	12,336	6%	228,769	14,094	6%
Water - C	257,829	153,987	60%	310,840	176,250	57%	359,239	207,601	58%
Sanitation	164,883	56,220	34%	179,285	62,300	35%	199,709	65,815	33%
Refuse	82,508	25,660	31%	89,377	28,433	32%	96,442	28,183	29%
Other	93,210	90,277	97%	72,878	105,416	145%	63,965	150,478	235%

It is considered a critical initiative for implementing a financial recovery plan, addressing and maintaining long term sustainability. The Municipality is continuously at work to improve debt recovery and revenue collection management. The municipality has adopted a zero-tolerance approach in this regard to ensure provision of services and sustainability of the Municipality.

3.38.2 Financial Service Policy Objectives Taken From IDP

Financial Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2010/11		2011/12		2012/13
		Target	Actual	Target	Actual	Target
		*Previous Year %	*Previous Year %	*Current Year %	*Current Year %	*Following Year %
Service Indicators (i)	(ii)					
Service Objective xxx						
INCREASE COLLECTION	<i>To recoup money owed to the municipality by non-paying consumers</i>	80	81.85	83	84.83	86

The municipality realized a collection rate of 84.83%, against target of 83% during the financial year 2011/12. This is largely attributable to the critical decisions council took to address the revenue challenges.

3.38.3 Procurement and Expenditure Management

The above principle, revolve around procuring of goods and services in a manner which is fair, equitable and cost-effective. The stated requirements are supported by legislative statute, arising from the "Constitution of South Africa" giving effect to MFMA. Another requirement governing the above is MFMA section 65, which advises that the municipality has to meet its obligations, in a timely and accountable manner.

Though our procurement is well legislatively supported, as per requirement of MFMA and its supporting regulations, there are always some deficiencies experienced. During the 2012/13 financial year, the municipality experienced irregular expenditure due to deviations from the normal processes, procuring from service provider whose' municipal accounts are not in order and ratification of minor breaches and errors, which were deemed necessary during the procurement stage.

Furthermore the SCM policy was reviewed during the 2012/13 financial year, addressing most of the deficiencies experienced in the prior years. This among other include, the re-assignment of roles and functions to be aligned to the decentralization of functions, providing policy guidelines on the implementation and management of 30% sub-contracting to local enterprises and procurement of services on risk bases (obtaining own funding for service delivery purpose)

3.38.4 Employees: Finance

Employees: Financial Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	26	22	4	15
4 - 6	-	111	46	65	58
7 - 9	-	41	24	17	41
10 - 12	-	126	88	38	30
13 - 15	-	7	4	3	42
16 - 18	-	2	2	0	0
Total	-	313	192	127	40

3.38.5 Financial Performance: Finance

Finance: Financial Performance					
Detail	2011/12	2012/13			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue					
Expenditure:					
Employees	5,986,013	5,858,135	7,204,226	6,931,126	-4%
Repairs and Maintenance	-	23,721	18,977	-	-100%
Other	14,419,485	8,080,240	9,652,527	11,523,976	19%
Total Operating Expenditure	20,405,498	13,962,096	16,875,730	18,455,102	9%
Net Operational (Service) Expenditure	(20,405,498)	(13,962,096)	(16,875,730)	(18,455,102)	9%

3.38.6 Overall Performance of Financial Services

Revenue

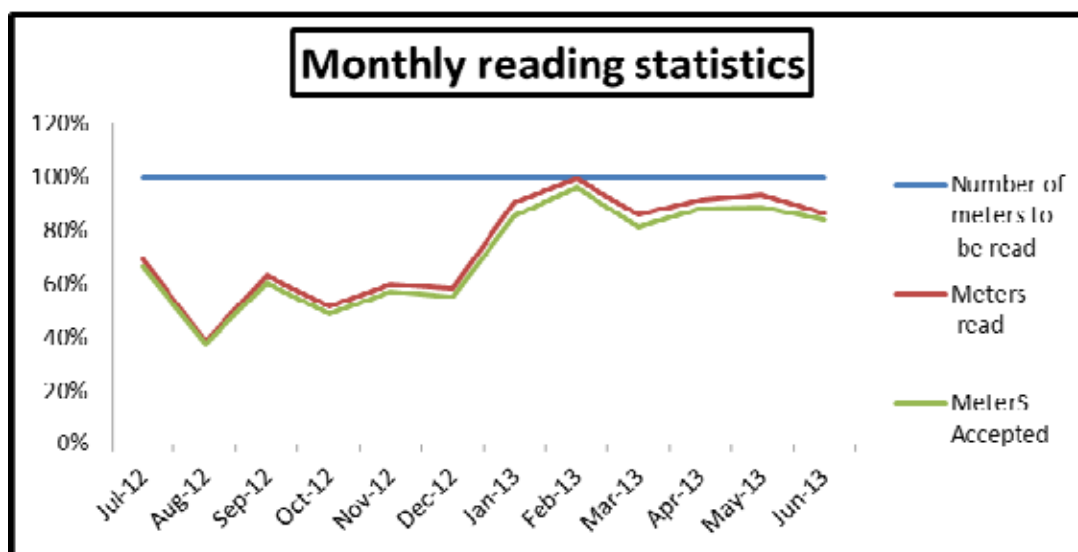
Revenue is a key driver for the provision of basic services. ELM has continued to implement its turn-around strategy after a comprehensive assessment of revenue function. The strategy hinges on three pillars namely, billing accuracy; credit control, and customer care.

Billing Accuracy

In order to improve billing accuracy the Municipality increased the meter reading cycles from 2 to 15 per month. A schedule was developed to monitor readings daily in line with a plan, and also to address problems related to meters timeously.

Furthermore, a system was developed whereby photos of the meter reading are taken to provide added assurance about the accuracy of the meter reading.

The cyclical approach has yielded success by improving meter reading accuracy from 38% to an average of 89% for the last quarter as per graph below.



Credit Control

Credit Control has been the most complex challenge to address due to corrupt practices, limitation on credit control in areas where Eskom is responsible for the supply electricity. This impedes on the strategy of disconnecting the supply of electricity in order to recover the outstanding debts.

ELM has appointed a service provider that deals with disconnection of services and also ensures proactive monitoring for illegal reconnection in order to address corruption. The Municipality has also adopted the strategy to do focused disconnection that are manageable by the contractors, which makes it difficult for illegal and/or unauthorised reconnections. The focused disconnection method requires that accounts that are subjected to credit

control are analysed and reconciled to proactively eliminate customer queries. This has assisted by ensuring that credit control exercise becomes part of the data cleansing. In addition forensic investigations are continuing with intention to reduce fraud both internally and externally.

The following table depicts the collection ratio for the year under review:

Months	Current Billings (incl. int)	Total Receipts	Movements	%
Jul-12	292 506 298	219 340 326	73 165 972	75
Aug-12	279 529 136	232 592 125	46 937 011	83
Sep-12	303 713 635	245 972 547	57 741 088	81
Oct-12	231 558 843	218 706 289	12 852 554	94
Nov-12	307 270 020	200 189 305	107 080 716	65
Dec-12	231 874 986	220 639 438	11 235 548	95
Jan-13	221 879 087	183 515 848	38 363 239	83
Feb-13	235 036 085	197 956 105	37 079 980	84
Mar-13	243 953 720	181 944 264	62 009 456	75
Apr-13	215 162 184	186 780 350	28 381 834	87
May-13	209 641 704	177 922 961	31 718 743	85
Jun-13	201 652 512	186 353 219	15 299 293	92
Total	2 973 778 211	2 451 912 776	521 865 435	82

From the table above, the collection average in November lower. This is due to a backdated billing of the past two years for approximately R70 Million. This billing could not immediately results in collection as the affected consumers had to be engaged and some contested the billing. In March 2013 a focused collection strategy was implemented and resulted in a low collection and subsequently improved.

3.38.7 Debtors

The following table and the graph depicts the debtors outstanding for the year under review:

OUTSTANDING DEBTORS			
DETAILS	30-Jul-12	30-Jun-13	Movement
WATER	838 998 398	1 095 817 119	256 818 721
RATES	335 291 985	391 329 521	56 037 536
INDIGENTS	123 067 056	117 554 837	-5 512 219
SUCL2Y	56 828	42 246	-14 583
SEWERAGE	395 342 002	426 915 916	31 573 914
REFUSE	213 489 650	261 330 135	47 840 485
ELECTRICITY	266 432 163	314 408 275	47 976 112
SUNDRIES	358 128 103	368 058 837	9 930 733
SUB TOTAL	2 530 806 185	2 975 456 885	444 650 700
VAT	241 676 073	293 332 684	51 656 611
GRAND TOTAL	2 772 482 258	3 268 789 570	496 307 311
CREDITS	-90 579 495	-76 736 952	13 842 543
TOTAL	2 681 902 763	3 192 052 618	510 149 855

The debtors balance has increased by approximately R510m. The water has increased substantially compared to other services. Billing for electricity is much higher than water but the increase in outstanding debt is lower for electricity. This is an indication that electricity is an important element of credit control, and other creative measure need to be explored for credit control in areas that are supplied electricity by Eskom.

The liquidation of debtor book was also finalized in the current financial year with the appointment of two service providers.

ELM has conducted a comprehensive data cleaning of consumer accounts. Thus far 87 387 accounts have been subjected to the data cleaning exercise. As part of the data cleaning, it became necessary to link the billing system to Geographic Information System (GIS) to ensure completeness of revenue. The pilot project of linking has been completed. The full roll out will be completed in the next financial year.

The Municipality held revenue summits with the residents in four (4) regions as part of the Executive Mayor's 'Operation Patala'. This is part of the process where residents are engaged on the importance of paying for their services and how the funds are utilized. The establishment of the revenue agency was also in progress, as part of the turn-around strategy.

3.38.8 Revenue: Service Delivery Budget Implementation Plan

Revenue Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
Viable and Sustainable Municipal government	Increase % collection level			80%	82%	85%
Viable and Sustainable Municipal government	Functional Municipal Entity	-	-	Section 78 Process	Section 78 Process assessment completed	Council Approval

3.38.9 Data Cleaning Statistics

Focus Area	Key tasks to be performed	Progress to date
Water meter Audit	<ul style="list-style-type: none"> ▪ Correction of meter numbers ▪ Identify stands with no meters ▪ Identify stands with meters and not on Venus ▪ Capture meters on Venus ▪ Correction of meters on Venus ▪ Take reading of the meters with a photo and GPS coordinate's. ▪ Transfer of meters between stands for correction of Data ▪ Journals for incorrect billings ▪ Identify accounts with no meter types 	29 794 meters audited
Electricity Meter Audit	<ul style="list-style-type: none"> ▪ Correction of meter numbers ▪ Identify stands with no meters ▪ Identify stands with meters and not on Venus ▪ Capture meters on Venus ▪ Correction of meters on Venus ▪ Take reading of the meters with a photo and GPS coordinate's. ▪ Transfer of meters between stands for correction of Data • Journals for incorrect billings • Pre-paid meters to be verified and linked to Venus accounts • Identify accounts with no meter types 	<p>Stands with pre-paid meters were identified but due to the data of the pre-paid system, matching is impossible.</p> <p>A door-to-door audit of the stands that were identified with pre-paid meters was done in order to get the pre-paid meters per stand. Two of the first identified stands were in CW and were identified with by-passes.</p>
Incorrect Tariffs linked to Services	<ul style="list-style-type: none"> • Identify stands with incorrect tariffs linked to services • We use the Debtors type from the Valuation Roll and the usage of the stand to match the data on Venus. • Every accounts must be verified to identify incorrect tariffs linked to the service 	84329 Accounts completed

Correction of consumer Data on Venus	<ul style="list-style-type: none"> • Correction of Names, addresses in a standard format. • Correction of Ward Numbers • Correction of Debtors Types • Correction of Indigents Indicator 	81387 accounts completed
Geographic Information System integration with billing system	<ul style="list-style-type: none"> • Plotting the following data on the GIS system • Stand number • Meter Number • Services linked to the stand • Outstanding Balances • Ward Number • Correction of sub- divisions of stands 	<ul style="list-style-type: none"> • Busy with the sub-divisions of stands • Busy updating meter numbers per ward

3.39 ORGANIZATIONAL PERFORMANCE SCORE CARD

Introduction

In terms of Section 46 (1) (a) of the Local Government: Municipal Systems Act, 2000 (Act no 32 of 2000) a municipality must prepare for each financial year a performance report reflecting the municipality's and service providers performance during the financial year, including comparison with targets of and with performance in the previous financial year.

The report must, furthermore, indicate the development and service delivery priorities and the performance targets sets by the municipality for the following financial year and the measures that are taken to improve performance.

The organizational Performance Scorecard is appended as Appendix "A".

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT

4.1 INTRODUCTION

Emfuleni Local Municipality currently employs 3016 employees, who individually and collectively contribute to the achievement of the broader municipal objectives. The senior management team exists and all positions forming the team (section 56) are filled. The team is supported by staff members employed by the municipality to deliver on municipal services and political priorities.

The Human Resources Department is well established and its primary objective is to render an effective as well as innovative HR service that addresses both skills development and administrative function.

During the year under review the Municipality conducted a successful physical staff verification process. This intervention was championed by the HR Department with the support of all Clusters and other Departments. The process was observed by the Internal Audit Department.

4.2 MUNICIPAL PERSONNEL

Post Establishment

The Municipality procured Org-Plus software as a tool for the maintenance of its organogram. During 2012/13 a process was undertaken to review the *“as is”* status of the existing structure. All Clusters within the Municipality were assessed.

The intention was to ensure that staff establishment is in place which will to an extent inform the scientific structural review as required by Section 7 of Regulations on Appointment and Conditions of Employment of Senior Managers in Local Government, Gazette 36223 of March 2013.

The benefit of Org-Plus is amongst others the professionalization of the structure and reduces the chances of manipulation and assists with staff budgeting and costing of posts and eliminates chances of having unaccounted employees and to easily identify staff shortages.

Post Establishment

Post Establishment					
	2011/12	2012/13			
Descriptions	Employees	Approved post establishment	Employees	Variance	Variance
	No.	No.	No.	No.	%
PUBLIC SAFETY AND COMMUNITY DEVELOPMENT	3	9	4	5	56%
Public Safety	340	697	336	361	52%
Environmental Management, Health & Social Development	189	365	187	178	49%
Sports, Recreation, Arts & Culture and Library Inform Service	204	349	223	126	36%
Parks and Cemetery	155	1021	190	831	81%
Super By-Law	0	4	0	4	100%
BASIC SERVICES	2	11	4	7	64%
Roads and Storm Water	284	1391	1115	276	20%
Electrical	176	251	183	68	27%
Waste Management	426	490	420	70	14%
Fleet Management	49	79	44	35	43%
Metsi a Lekoa	131	694	318	376	54%
ECONOMIC DEVELOPMENT PLANNING	5	6	6	0	0%
Housing	27	50	29	21	42%
Land Use Management	23	30	22	8	27%
Local Economic Development	15	23	14	9	39%
Properties	10	13	10	3	23%
Building Control	22	60	25	35	58%
INFRASTRUCTURE PLANNING	1	3	3	0	0%
Asset Management	0	12	2	10	83%
Facilities Management	58	86	58	28	33%
Programmes and Administration	0	19	11	8	42%

Project Planning & Construction	16	19	7	12	63%
CORPORATE SERVICES	2	3	3	0	0%
Human Resource Management	25	49	34	15	31%
Labour Relations	6	13	7	6	46%
Legal Services	6	22	5	17	77%
Organizational Development	6	19	6	13	68%
Secretariat & Administration	15	50	30	20	40%
Employee Equity	1	1	1	0	0%
CHIEF FINANCIAL OFFICER	5	9	6	3	33%
Revenue and Customer Care	91	111	82	29	26%
Budget and Reporting	5	13	6	7	54%
Expenditure	42	47	25	22	47%
Supply Chain Management	16	81	34	47	58%
Credit Control & Debt Man	19	43	19	24	56%
Financial Control	16	27	16	11	41%
MUNICIPAL MANAGER	5	10	3	7	70%
Chief Risk Officer	11	18	11	7	39%
IGR	1	1	1	0	0%
IDP	8	10	8	2	20%
Performance Management	1	9	2	7	78%
Monitoring & Evaluation	8	8	8	0	0%
Chief Information Officer	1	1	1	0	0%
Communications	12	12	8	4	33%
Policy and Strategy	0	1	0	1	100%
CHIEF AUDIT EXECUTIVE	30	24	17	7	29%
POLITICAL OFFIC-E	53	61	53	8	13%
TOTAL	2521	6325	3597	2728	42%

Service Statistics

Employee Assistance Programme (EAP)

The below-mentioned services and interventions were offered to employees who required them:

- Medical surveillance (assessing the general health conditions of employees)
- Financial and debt counseling
- Awareness on excessive use of alcohol and drug & substance
- Absenteeism and associated problems
- Intervening on illegal garnishes
- HIV/AIDS – testing and counseling

Health and Wellness Programme

The table below depicts the information on the wellness programmes which were conducted during the wellness day on March 2013:

TYPES OF SCREENING:	TOTAL EMPLOYEES TESTED
1. Tuberculosis Screening	59
○ Eye Test Screening	35
2. Vital Signs	
○ Glucose Test	356
	356
○ Blood Pressure	356
	356
○ Pulse Rate	356
	356
○ Cholesterol	
○ Body Mass Index	
3. Cancer (Cervical & Prostate) Screening	46
4. Financial Fitness	200
5. Substance Abuse & Dependence (Alcohol & Drug) Presentation	85

Job Evaluation Process

Job evaluation for job levels 2 and below was completed during 11/12 financial year. The outcomes of the wage curve were not implemented during 12/13 financial year as intended due to legal proceedings at the Labour Court and Emfuleni Local Municipality together with organized local labour lodged an appeal on the grading of the municipality and provisional outcome report from SALGA Gauteng TASK team. Job evaluations for senior

management team were undertaken during 12/13 financial year. This process culminated in the design of job descriptions and grading of each position at this level.

Vacancy Rate (Financial Year – 2012/2013)

Vacancy Rate			
Designation	Total Approved Posts	Variances (Total time that vacancy existing Using Fulltime Equivalents	Variances (as a proportion of total pots in each category
	No.	No.	%
Municipal Manager	1	0	0%
CFO	1	1	100%
Other S57 Managers (excluding Finance Posts)	6	1	17%
Other S57 Managers (Finance posts)	4	0	0%
Fire fighters	195	88	45%
Senior management: DMM's Levels		0	0%
(excluding Finance posts)	6		
Middle management: Level 2 (Finance posts)	6	1	17%
Middle management: Level 2 (excluding Finance posts)	37	13	35%
Operational management: Level 3 (excluding Finance posts)	72	7	10%
Operational management: Level 3 (Finance posts)	14	4	29%
Highly skilled supervision: levels 4 -6 (excluding Finance posts)	559	237	42%
Highly skilled supervision: levels 4 - 6 (Finance posts)	110	71	65%
Total	1011	423	42%

Employee Turnover Rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
2010/11	207	242	8.6%
2011/12	259	57	2%
2012/13	330	132	4.4%

Employee turn-over rate for the year under review increased from 57 to 132 representing a percentage increase up to 4.4%. The high number of terminations can be attributed to a number of factors such as resignations, retirements, deaths, dismissals, etc.

Vacancies and Turnover

The filling of vacancies at senior management level has progressed very well; this includes areas in the strategic support function as well. In certain instances, some challenges were experienced in filling vacancies; this is as the result of scarcity of skills in certain jobs as well as the inability of the Municipality to compete with the private sector in areas of remuneration and other benefits. To overcome this, the Municipality reviewed its Recruitment and Selection Policy. The policy makes provision for head-hunting; it allows for the recruitment of people with special skills, expertise and talents.

Most critical vacancies have been filled; including the CFO and Manager Financial Control. It is Council's policy objective to fill all vacancies within a period of three months from becoming vacant.

4.3 MANAGING THE MUNICIPAL WORKFORCE

During the 2012/13 financial year, the Municipality appointed a total of 330 employees in various departments; 139 of these appointments were assessed against Employment equity targets. Out of 139 appointments assessed 74 were in line with Employment Equity Plan. The biggest challenge is that of attracting scarce skills. The Annual Employment Report for 2012 was approved by Council with the consent of the Local Labour Forum (LLF) and submitted to the National Department of Labour in January 2013 as required

The transformation statistics were recorded as follows as at 30 June 2013:

APPOINTMENTS ASSESSED AGAINST EMPLOYMENT EQUITY TARGETS									
Gender & Race	AM	AF	CM	CF	IM	IF	WM	WF	Total
Employment Equity Targets	37	64	2	23	0	0	13	0	139
Appointments in line with EE Target	23	50	0	0	0	0	1	0	74
Appointments not in line with EE Target	32	26	0	0	0	0	1	6	65

Keys:

AM- African Male	AF- African Female	CM- Coloured Male		
CF- Coloured Female	IM- Indian Male	IF- Indian Female		WF- White Female

The table represents the employment equity statistics on appointment made against equity targets.

Since the creation of Employment Equity Department, the Municipality has embarked in various processes of removing the barriers in respect of employment and advancement of all South Africans and to accelerate the training and promotion of individuals from historically disadvantaged groups (black people, women and people with disabilities).

Through the implementation of Employment Equity and Affirmative Action programmes, the Municipality has made significant strides in creating an environment of sustainable diversity in order to achieve broad representation of the South African society.

The Employment Equity Functions:

- Advice and monitor on the implementation of the Employment Equity Plan;
- Manages Employment Equity processes;
- Conduct workshops, training and information dissemination to Employment Equity stakeholders;
- Ensure periodic assessment and review of policies, procedures and processes;
- Compile reports to management on Employment Equity status and trends;
- Benchmarking with other municipalities and sector departments in relation to Employment Equity and
- Monitor and advice on the reasonable accommodation for people from designated groups.

Achievements

The Employment Equity Department in collaboration with Labour Relations and Human Resources Departments embarked on road shows to raise awareness on Employment Equity, code of conduct and leave administration to internal stakeholders. The intended outcome of this exercise was to ensure that employees of ELM are not only aware of the objectives of Employment Equity, but has a common understanding regarding the implications of leave administration and the code of conduct.

Pursuant to reasonable accommodation for PWD's recommendations were made to facilities Department to revamp critical areas identified during periodic inspections to be in a compliant state.

The Department was able to deal successfully with Department of Labour Director General Employment Equity review with the assistant of contract workers appointed. In order to give effect to and provide technical support to different Clusters on the application of Employment Equity, the Personnel in the Department sits in the interviews and shortlisting processes. The Department managed to pass through Council, a successive Employment Equity plan as required by section 23 of the Employment Equity Act 55 of 1995. The affirmative action measures have been incorporated in the reviewed successive Employment Equity Plan.

The Employment Equity and Skills Development Forum established as a consultative structure continues to offer a platform for workers or their duly representatives to engage effectively with management on Employment Equity and Affirmative Action matters. The establishment of this forum has contributed to the harmonization of relations with trade unions.

Challenges in relation to inequitable representation on gender and race in deferent job levels as well as none availability of suitably qualified candidates from designated areas in certain critical and scarce skills fraternity remain.

Preferential training will be implemented based on the outcome of the skills audit being conducted by Training Division. The skills audit outcomes, employment equity trends and the key objectives of employment equity have formed an integral part of the roadshows planned for in 2013/14 in partnership with the Training Division.

Overall Performance of the Employment Equity Department

- Conducted analysis of workforce profile and consulted with internal employment equity stakeholders via Organized Labour cluster representatives
- Developed successive employment equity plan in terms of section 23 of Employment Equity Act 55 of 1998 and passed it through Council for approval.
- Conducted assessment of Municipal Buildings to determine the level of none compliance and provided recommendations.
- Compliance with the annual reporting requirements to the National Office of the Department of Labour has been achieved for 2013 report period.
- Processed 139 G47's with employment equity recommendations for targeted recruitment.
- Conducted two Employment Equity Road shows and eleven codes of conduct sessions. The theme of the roadshows was "Human Resources Management is every Managers business" and it targeted management cadre.
- Displayed summary of the recent employment equity report in four Municipal Buildings as part of the duty to inform in line with Section 25 of the Employment Equity Act 55 of 1998.
- Held five Employment Equity and Skills Development Forum meetings.

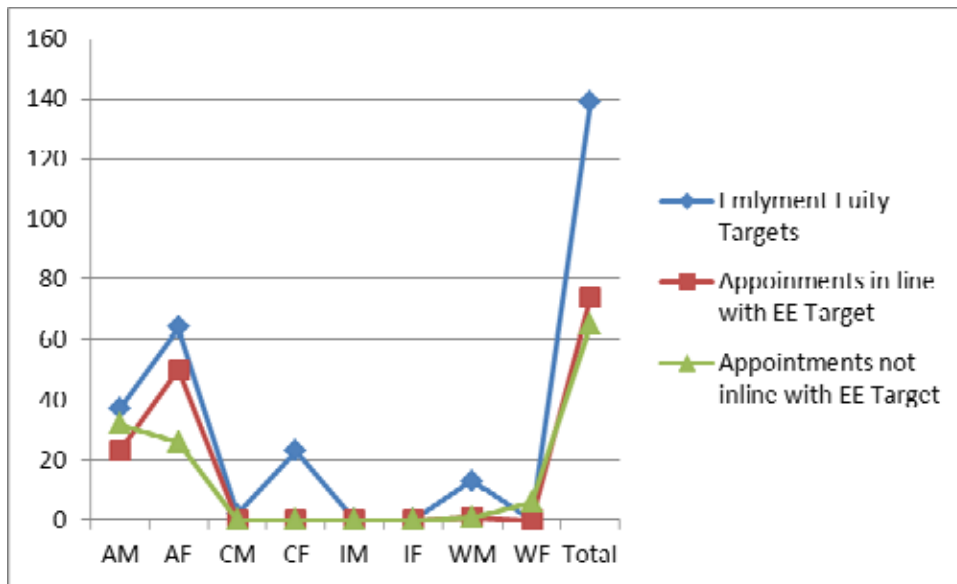
Appointments made against the employment equity targets

Of the 282 appointment recorded with Employment Equity Department 139 were assessed against targeted recruitment. The assessed G47's resulted in 53% constituting appointments which were in line with Employment Equity targets whereas 47% did not comply with the targets. This is attributed mainly by non-availability of suitable candidates from targeted race, gender and budget constraints.

The Employment Equity department has put measures in place to enforce compliance with equity targets across all levels in the organization. These include the Employment Equity personnel involvement in the recruitment processes and capacitation of Employment Equity and Skills Development forum.

The following graph illustrates the appointments made against employment equity targets.

Graph B: Employment Equity Targets



Keys:

AM- African Male	AF- African Female	CM- Coloured Male
CF- Coloured Female	IM- Indians Male	IF- Indian Female
WM- White Male	WF- White Female	

Out of a total of 139 targeted appointments, 74 were in line with employment equity targets whereas 65 were not in line with employment targets. The graph further shows increased female appointments in line with the target. The Municipality did not do well on recruitment of Coloured Females, Coloured Males and White Males.

4.4 POLICIES

Human Resources Policies and Plans

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	N/A	N/A	Incorporated in the Emfuleni Local Municipality Employment Equity Policy (01 October 2009)
2	Attraction and Retention	N/A	N/A	Will be developed concurrently with the development of the Human Resources Development and Strategy in 2013/14 financial year
3	Code of Conduct for employees	100%	N/A	As per Municipal Systems Act No 32 of 2000 Schedule 2
4	Delegations, Authorization & Responsibility	100%	N/A	30 September 2008

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
5	Disciplinary Code and Procedures	100%	N/A	Main Collective Agreement 21 April 2010
6	Essential Services	100%	N/A	18 September 08
7	Employee Assistance / Wellness	100%	N/A	11 November 2010
8	Employment Equity	100%	N/A	1 October 2009
9	Exit Management	N/A	N/A	
10	Grievance Procedures	100%	N/A	Main Collective Agreement 21 April 2010
11	HIV/Aids	100%	N/A	11 November 2010
12	Human Resource and Development	100%	N/A	1 October 2009
13	Information Technology	100%	N/A	1 October 2009
14	Job Evaluation		N/A	Main Collective Agreement 21 April 2010
15	Leave		N/A	30 October 2012
16	Occupational Health and Safety		N/A	11 November 2010
17	Official Housing		N/A	Main Collective Agreement Gazette 30306, 01 September 2007
18	Official Journeys	N/A	N/A	
19	Official transport to attend Funerals	N/A	N/A	
20	Official Working Hours and Overtime	100%	N/A	Main Collective Agreement 21 April 2010
21	organizational Rights	100%	N/A	Main Collective Agreement 21 April 2010
22	Payroll Deductions	N/A	N/A	
23	Performance Management and Development	100%	N/A	11 November 2010
24	Recruitment, Selection	100%	N/A	30 October 2012
25	Remuneration Scales and Allowances	100%	N/A	

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
26	Resettlement	N/A	N/A	
27	Sexual Harassment	100%	N/A	26 October 2004
28	Skills Development	100%	N/A	01 Oct2009 (duplicate of item 12 above)
29	Smoking	N/A	N/A	
30	Special Skills	N/A	N/A	
31	Work Organization		N/A	Main Collective Agreement Gazette 30306, 01 September 2007
32	Uniforms and Protective Clothing	N/A	N/A	
33	Other:		N/A	
34	Acting Policy (amended)		100%	11 November 2011
35	Acting Policy (amended)		100%	28 Feb 2012
36	Code of Ethics	100%		28 June 2013

Workforce Policy Development

The Municipality has to date developed considerable number of workforce policies. It is envisaged that policies which includes amongst others succession planning, migration and placement and retention& talent management which had to be dovetailed from the Human Resource Management and Development Strategy will be developed during 2013/14 financial year. The new Code of Ethics, Recruitment & Selection and Leave policies were developed and approved by Council on the 28 June 2013 and 30 October 2012 respectively.

4.5. INJURIES, SICKNESS AND SUSPENSIONS

Injuries on duty

NUMBER AND COST OF INJURIES ON DUTY					
Type of injury	Injury leave Taken	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury per Employee	Total Estimated cost
Required basic medical attention only	449	31	2255	2.2	19955.22
Temporary Disablement	188	3		0.1	1931.16
Total	637	34	2255	2.3	21886

Days and Cost of Sick Leave

Number Of Days And Cost Of Sick Leave (Exclud)						
Salary Band	Total Sick Leave	Proportion Of Sick Leave Without Medical Certification	Employees Using Sick Leave	Total Employees In Post	Average Sick Per Employee	Estimated Cost
MM and Sec 57&56	305	27	38	65	8.02	1063840
SM Level 1-2	599	108	23	37	2.1	60715.89
Highly Skilled Supervision 3	608	231	32	54	7.1	78311.88
Highly Skilled Supervision Level 4	602	322	26	43	3.2	60089.06
Highly Skilled Supervision Level 5/4	890	355	48	86	7.1	99356.66
Highly Skilled production 6-8	3063	640	238	466	8.08	452746.96
Skilled Level 9-12	5317	674	283	556	2.4	357908.32
Lower skilled level 13-15	10286.85	707	261	512	2.1	169400.32
Unskilled level 16	10255.01	2186	604	1198	8.08	14330.19

Injury and Sick Leave

Sick leave is recorded and processed at the Leave Section in the Human Resources Department. Leave section reports on individual leave records and statistics. Trend analyses are performed and outcomes are shared with other departments including the Labour Relations and Occupational Health and Safety for further investigation and noting.

Supensions

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Administration Officer	Gross Dishonesty	20/06/2011	Matter is ongoing and was scheduled for 13 June 2013.	Ongoing
Superintendent	Corruption	22/09 2011	Matter finalized. Employee dismissed and appeal. Awaiting appeal ruling	Pending
Traffic Warden	Corruption	22/9/2011	Matter finalized. Employee dismissed and appeal. Awaiting appeal ruling	Pending
Supervisor Water and Lights	Fraud and Corruption	1/8/2012	Matter was scheduled for 28 May 2013	Ongoing
Assist Manager Water and Lights	Misconduct	28/11/2012	Matter scheduled for the 22 July 2013	Ongoing
Personnel Officer	Misconduct	22/02/2013	Matter postponed, Awaiting settlement ruling by the Presiding Office and the Prosecutor	Ongoing
Clerk	Misconduct	22/02/2013	Possible charge sheet to be drafted	Pending
Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing
Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing
Senior Clerk	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing
Field Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing
Senior Clerk	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing

Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing
Field Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing
Chief Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing
Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing
Field Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013	Ongoing
Admin Officer	Misconduct	8/3/2013	Matter scheduled to sit on the 10 July 2013	Ongoing
Manager Internal Audit	Gross Insubordination & dereliction of duty	4/4/2013	Matter scheduled for the 01 July 2013	Ongoing
Clerk	Misconduct	10/6/2013	Possible charge sheet to be drafted	Ongoing

Disciplinary Actions

Position	Nature of Alleged Misconduct and Rand Value of any loss to the municipality	Disciplinary Action Taken	Date Finalised
Admin Officer	Intimidation and gross dishonesty	20/06/2011	Ongoing
Superintendent	Corruption	22/09/2011	Finalized
Traffic Warden	Corruption	22/09/2011	Finalized
Cashier	Gross Negligence ,Insolence & Theft & Fraud	22/09/2011	Ongoing
Admin Officer	Corruption	20/10/2011	Ongoing
Senior Admin Officer	Charge sheet still to be drafted	4/12/2011	Ongoing
Traffic Warden	Gross dishonesty	5/12/2011	Ongoing
Superintendent Swimming Pool	Gross Dishonesty	10/11/2011	Ongoing
Traffic Warden	Assault	10/1/2012	Ongoing
Driver/Messenger	Misuse of Council Vehicle	28/05/2012	Ongoing
Accountant Water & Lights	Fraud and Corruption	1/8/2012	Ongoing
Assist Manager Waste	Gross Insubordination	17/08/2012	Ongoing
Electrician	Fraud and Corruption	28/09/2012	Ongoing
Petrol Attendant	Fraud and Corruption	13/09/2012	Ongoing
Driver	Misuse of Council Vehicle	17/09/2013	Ongoing
Driver	Misuse of Council Vehicle	17/09/2013	Ongoing
Receptionist	Misrepresentation and Absenteeism	9/11/2013	Ongoing
Assistant Manager Water & Lights	Misconduct	28/11/2012	Matter scheduled to sit on the 22 July 2013
Fire Fighter	Misuse of Council Vehicle	22/11/2012	Ongoing
Personnel Officer	Misconduct	5/12/2012	Ongoing
Clerk	Misconduct	21/01/2013	Ongoing
Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013

Position	Nature of Alleged Misconduct and Rand Value of any loss to the municipality	Disciplinary Action Taken	Date Finalised
Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013
Senior Clerk	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013
Field Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013
Senior Clerk	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013
Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013
Field Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013
Chief Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013
Social Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013
Field Worker	Fraud and corruption	28/02/2013	Matter scheduled to sit on the 17 July 2013
Admin Officer	Misconduct	8/3/2013	Matter scheduled to sit on the 10 July 2013
Manager Internal Audit	Gross Insubordination & dereliction of duty	4/4/2013	Matter scheduled for the 01 July 2013
	Misuse of Council Vehicle and Unauthorized possession of Council Property	28/05/2013	Matter scheduled for the 03 July 2013
Driver	Unauthorized & Misuse of Council Vehicle	28/05/2013	Matter scheduled for the 16 July 2013
Driver	Unauthorized & Misuse of Council Vehicle	28/05/2013	Matter scheduled for the 16 July 2013
Driver	Unauthorized & Misuse of Council Vehicle	28/05/2013	Matter scheduled for the 16 July 2013
Clerk	Misconduct	1/6/2013	New Matter
Driver	Misuse of Council Vehicle	12/6/2013	Matter scheduled to sit on the 02 July 2013
Driver	Allegations Dereliction of Duty & Theft	19/07/2013	Matter Scheduled for the 09 July 2013

Position	Nature of Alleged Misconduct and Rand Value of any loss to the municipality	Disciplinary Action Taken	Date Finalised
Driver	Allegations Dereliction of Duty & Theft	19/07/2013	Matter Scheduled for the 09 July 2013

Suspension and Cases of Financial Misconduct

The Disciplinary Procedure and Collective Agreement of the South African Local Government Bargaining Council makes provision to the effect that whilst the employer is investigating misconduct, an employee against whom the investigation is conducted, may be suspended and/or utilised in another capacity until the disciplinary process is finalised.

During the Financial Year under review, the Department had a total number of 42 cases handled, 16 of those were suspensions effected and in progress, 15 were reported on financial misconduct and under probe for investigation.

4.6 CAPACITATING MUNICIPAL WORKFORCE

The Work Place Skills Plan (WPSP) for 2012/13 financial year and the Training Plan were submitted to the Sector Education and Training Authority for Local Government (LGSETA) by end August in 2012. The amount spent on staff training was R22 302 294; which is 2.87% of the total salary budget spend of R750 810 964.00 inclusive of conditional grants. A sum total of 662 training interventions were successfully facilitated.

The WPSP together with the Training Plan for 2013/14 financial year were successfully submitted to the LGSETA on 27 June 2013.

Skills Audit

Skills Audit was conducted and sample of 92% of the total work force was registered. The exercise focused on aspects listed below:

- Workforce demographics (equity)
- Education
- Age profiles
- Levels of skills
- Occupational categories

Skills Matrix

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2013	Number of skilled employees required and actual as at 30 June 2012											
			Learnerships			Skills programmes and other short courses			Other forms of training			Total		
		No.	Actual 30 June 2012	Actual 30 June 2013	Target	Actual 30 June 2012	Actual 30 June 2013	Target	Actual 30 June 2012	Actual 30 June 2013	Target	Actual 30 June 2012	Actual 30 June 2013	Target
MM and S57 and Legislators	Female	1			0	1	1						1	
	Male	8			0	8	8						8	
Senior officials and managers	Female	30		3		11	2						5	
	Male	93		16	1	20	8						24	
Technicians and associate professionals	Female	806	36	0	6	625	242						242	
	Male	1648	61			786	177						177	
Professionals	Female	149	18	0	1	20	38						38	
	Male	75	8			50	35						35	
Councilors	Female	35				28	35						35	
	Male	54				48	54						54	
Sub total	Female	1021		3		715	283						286	
	Male	1878		16		912	228						244	
Total		2899				1627	600						619	

Financial Competency Development Report

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	0	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	18	5	23	23	5	18
Any other financial officials	197	0	197	4	0	9
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	15	0	15	10	1	1
TOTAL	233	5	233	39	8	31

Skills Development Expenditure

Skills Development Expenditure										
										R3539171.50
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2012/13							
			Learnerships		Skills programmes and other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	0	0	0	63 450	0	0	0	63 450
	Male	8	0	0	0	507600	0	0	0	507600
Legislators, senior officials and managers	Female	22	0	0	0	126900	0	0	0	126900
	Male	67				353400				353400
Professionals	Female	110				130467				30467
	Male	126				65233.5				65233.5
Technicians and associate professionals	Female	22				0				
	Male	44				216000				216000
Clerks	Female	245				471676				471676
	Male	316				83950				83950
Service and sales workers	Female	104				0				0
	Male	171				0				0
Plant and machine operators and assemblers	Female	74				0				0
	Male	141				0				0
Elementary occupations	Female	275				807035				807035
	Male	208				713464				713464
Sub total	Female	862				1599528				1599528
	Male	1675				1939647.5				1939647.5
Total		2537				3539172.5				3539171.5

Skills Development, Related Expenditure on the Financial Competency Regulations

The ELM Training Plan is informed by the following key factors; IDP Human Resources Development Objectives, Sector Skills Priority Plans, Local Government Turn-Around Strategy, critical skills requirements at operational level, as well as departmental training needs analyses. The Training Plan reflects strategic development goals; operational and personal development goals.

Most of the expenditure was focused in two main areas. Elementary workers accounted for 50% of the Training Budget expenditure and Senior Managers Training in compliance with the Treasury Minimum Competency Regulations as per Circular 60. This compliance training accounted for another 30% of Budget Expenditure. ELM is well on track to complete all Financial Competency Regulations requirements by 2014. Furthermore, the Municipality also applied for a Special Merit Case extension of the deadline to National Treasury which was duly granted.

Majority of Section 56 employees were enrolled with Pretoria University for the Treasury approved Municipal Finance Management Programme (MFMP). The enrolment was not *en masse* but is staggered over a two-year period. Currently 46% of the 15 Section 56 employees, who were enrolled, have completed the Municipal Finance Management Programme (MFMP) with the rest scheduled for completion by February and May 2014 respectively.

A significant number of lower level staff (middle managers and financial clerks) has been trained in compliance with the guidelines of the National Treasury Minimum Competency Regulations.

Achievements

The following achievements were registered by the Department:

- Two hundred and sixty (260) employees completed their grade 12 senior certificate
- Thirty five (35) employees from the Finance Cluster completed the Certificate Programme of Leadership Management and Development (CPMD)
- Five (05) senior managers completed the MFMP

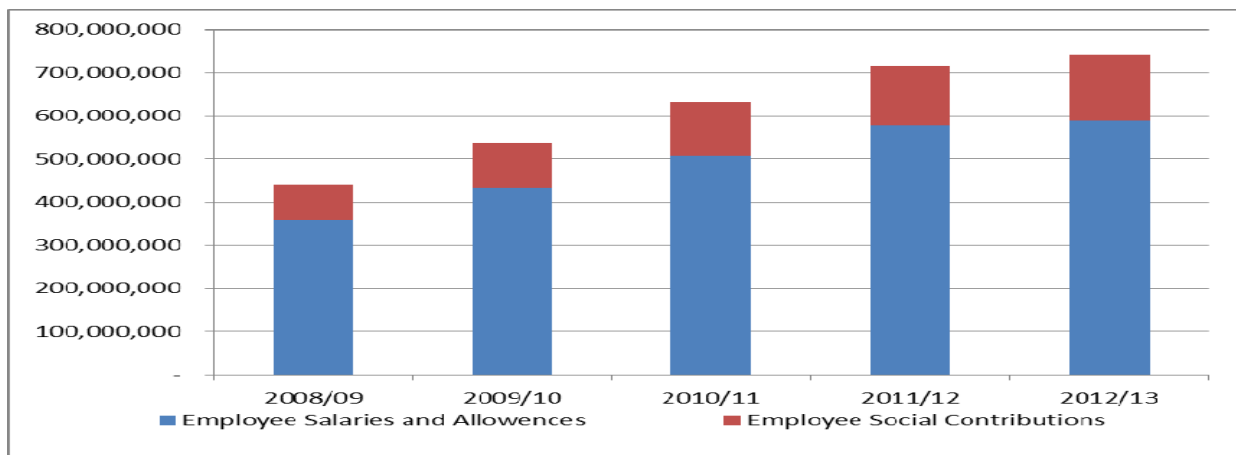
4.7 WORKFORCE EXPENDITURE

Municipal employees and the skills they bring to the workplace are a critical input in the delivery of all services a municipality delivers. The municipality manages municipal personnel not to necessary to minimize the wage bill but rather to ensure that people with the required skills are recruited, retained and appropriately deployed.

Municipal expenditure on personnel is ascending due to inter alia, departmental structures which revised and approved by council to ensure appropriate, adequate and proficient personnel is home to deliver the required municipal services.

The municipality is intending to fill all critical vacancies in order to enhance service delivery and improve municipal performance in the succeeding financial year as the result there will be an increase on the expenditure spending trend.

WORKFORCE EXPENDITURE TRENDS					
	2008/09	2009/10	2010/11	2011/12	2012/13
Employee Salaries and Allowences	358,071,309	432,968,656	507,599,030	578,456,563	588,964,634
Employee Social Contributions	82,939,600	104,304,727	124,000,339	137,346,237	151,873,723
	441,010,909	537,273,383	631,599,369	715,802,800	754 322 663



CHAPTER 5 FINANCIAL PERFORMANCE

5.1 INTRODUCTION

The Municipality adopted the going concern assumption when preparing the annual financial statements for the year under review. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlements of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The municipality also adopted the accrual basis, to account for its revenue and expenditure, while also adopted the approved Statements of GRAP, to record its financial transactions.

5.2 FINANCIAL PERFORMANCE

The Municipality reported an operating deficit of R115 million at the end of the financial year under review, compared to the restated surplus of R 884 million in prior financial year. The deficit can be attributed to depreciation, mainly as a result of fair valuation of infrastructure assets.

Total revenue increased by 13% from the previous year to R 4 billion, the increase is mostly driven by tariff increases on service charges, property rates and increase in government grants received.

The municipality incurred R 246 million of capital expenditure which is a 71% spending of the approved capital budget of R 346 million. Due to none completion of certain projects, and cash flow challenges, most uncompleted projects were rolled over to the subsequent financial year.

5.2.1 Statement of financial position

A current asset increased by R 20 million which is a 3% increase from the previous year's figures, the movement is mainly due to the increase in consumer debtors. Revenue enhancement was the key focus area and that led to the Council resolving on establishing a Revenue Agency to address collection challenges. The municipality has also put in place plans to reduce the debtors book value by enforcing the credit control policy and improving collections.

5.2.2 Statements of Financial Performance

Financial Summary						
Description	2011/12 (R)	Current Year 2012/13 (R)			2012/13 Variance to actual	
	Actual (Audited Restated)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	351,966,028	396,524,977	396,524,977	410,973,552	3.64%	3.64%
Service charges	2,201,818,620	2,874,480,888	2,778,156,963	2 591 388 035	-8.92%	-5.77%
Investment revenue	31 340 173	7,790,202	7,790,202	35 278 982	35.86%	35.86%
Transfers recognized - operational					-19.86%	-0.53%
Other own revenue	971 001 878	165,941,606	214,849,097	996 042 028	91.68%	48.05%
Total Revenue (excluding Capital transfers & contributions)	3 556 126 699	4,294,316,215	4,081,837,488	4 033 682 597	-5.96%	-1.06%
Employee costs	722,713,667	693,341,964	752,389,734	754,322,663	8.80%	0.26%
Remuneration of councillors	25,133,156	32,841,253	37,683,400	26,661,222	-18.82%	-29.25%
Depreciation & asset impairment	801 147 512	351,444,057	350,001,996	513,855,529	46.21%	46.82%
Finance charges	21 976 265	10,854,164	11,056,631	32 425 322	21.53%	19.31%
Materials and bulk purchases	1 574 332 701	1,748,068,920	1,700,888,861	1 803 669 344	3.27%	6.13%
Transfers and grants						
Other expenditure	939 116 323	1,683,906,807	1,458,813,772	644 117 355	-28.49%	-17.46%
Total Expenditure	4 083 900 540	4,520,457,165	4,310,834,394	4 284 026 752	-4.49%	0.15%
Surplus/(Deficit)	884 280 801	-226,140,950	-228,996,906	-115 793 316		
Transfers recognized - capital		226,140,950	228,996,906		-28.55%	-29.44%
Contributions recognized - capital & contributed assets						
Surplus/(Deficit) after capital transfers & contributions	884 280 801	0	0	-115 793 316		
Share of surplus/ (deficit) of associate	0	0	0			
Surplus/(Deficit) for the year	884 280 801	0	0	-115 793 316		
Capital expenditure & funds sources						

Capital expenditure						
Transfers recognized - capital	190 820 498	226,140,950	228,966,906	246 664 968	-28.55%	-29.43%
Public contributions and donations						
Borrowing						
Internally generated funds	44,637,168	141,347,800	117,358,101	47,799,908	-66.18%	-59.27%
Total sources of capital funds	188,415,927	367,488,750	346,325,007	209,372,949		
Financial position						
Total current assets	667,828,402	714,830,870	901,906,610	688 058 158	-3.98%	-23.89%
Total non-current assets	11,723,118,594	2,024,011,227	3,008,477,474	11 588 890 428	472.57%	285.21%
Total current liabilities	722,157,321	450,000,000	407,691,913	704 593 003	56.58%	72.82%
Total non-current liabilities	361 319 305	29,988,221	330,317,598	380 678 528	1171.16%	15.40%
Community wealth/Equity	11 191 677 055	2,258,853,876	3,172,374,573	11 307 470 369	395.36%	252.72%
Cash flows						
Net cash from (used) operating	272 418 651	285,200,869	285,200,869	273 324 592	-4.16%	-4.16%
Net cash from (used) investing	-190 765 498	-346,325,007	-346,325,007	-246 562 277	-28.81%	-28.81%
Net cash from (used) financing	-78 633 933	-11,056,631	-11,056,631	-26,843,751	142.78%	142.78%
Cash/cash equivalents for the year	3,019,220	-72,180,769	-72,180,769	-81 436		
Cash backing/surplus reconciliation						
Cash and investments at beginning of fin year	127 766 564	127,785,784	127,785,784	127 785 784	0.00%	0.00%
Application of cash and investments						
Balance - surplus (shortfall)	127,785,784	55,605,015	55,605,015	127 704 308		
Asset management						
Asset register summary (WDV)	10,190,232,162	10,190,232,162	10,190,232,162	11,189,601,020	8.93%	8.93%
Depreciation and asset impairment	801 147 512	351,444,057	350,001,996	513,855,529	31.61%	31.89%
Renewal of Existing Assets						
Repairs and Maintenance	115 207 059	116,688	134,388	102 622 181	99.89%	99.87%

5.2.3 Financial Performance

Financial Performance of Operational Services						
R '000						
Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<u>Operating Cost</u>						
Water	506,377	713,145	631,417	470 670	-43.03%	-26.64%
Waste Water (Sanitation)	162,355	246,125	202,848	94,493	-160.47%	-114.67%
Electricity	1,238,151	1,476,426	1,389,337	1 332 970	-4.83%	1.36%
Waste Management	144,845	140,721	109,350	89,450	-57.32%	-22.25%
Housing	19,302	17,224	15,721	15,239	-13.03%	-3.17%
Component A: sub-total	2,071,030	2,593,641	2,348,673	2,106,230	-23.14%	-11.51%
Waste Water (Stormwater Drainage)	23,292	33,521	27,592	22,081	-51.81%	-24.96%
Roads	90,511	78,895	61,805	62,465	-26.30%	1.06%
Transport	64,761	173,660	156,372	48,507	-258.01%	-222.37%
Component B: sub-total	178,564	286,076	245,770	133,053	-115.01%	-84.72%
Planning	54,114	(68,333)	(64,467)	80,688	184.69%	179.90%
Local Economic Development	6,725	9,102	10,816	7,943	-14.59%	-36.16%
Component B: sub-total	60,839	(59,231)	(53,652)	88,631	166.83%	160.53%
Planning (Strategic &Regulatory)	-	-	-	-	0.00%	0.00%
Local Economic Development	-	-	-	-	0.00%	0.00%
Component C: sub-total	-	-	-	-	0.00%	0.00%
Community & Social Services	64,126	63,248	67,580	68,291	7.39%	1.04%
EnviromentalProctection	12,084	13,955	13,354	13,302	0.00%	0.00%
Health	45,505	55,217	51,789	47,476	-16.30%	-9.08%
Security and Safety	110,965	115,539	121,174	130,614	11.54%	7.23%
Sport and Recreation	28,959	38,316	32,418	31,871	-20.22%	-1.72%
Corporate Policy Offices and Other	474,244	15,860	220,355	786,570	97.98%	71.99%
Component D: sub-total	735,883	302,135	506,670	1,078,125	71.98%	53.00%
Total Expenditure	3,046,315	3,122,621	3,047,461	3,406,039	8.32%	10.53%

Management implemented cost cutting measures to address cash flow challenges and spending patterns were also closely monitored to contain expenditure within the budget.

5.3 GRANTS

5.3.1 Grant Performance

Grant Performance						
R' 000						
Description	2011/12	2012/13			2011/12 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
-						
<u>Operating Transfers and Grants</u>						
National Government:	565 734	622 714	605 227	621 004	0%	3%
Equitable share	539 842	597 485	597 485	597 142	0%	0%
Municipal Systems Improvement	800	1 000	1000	997	0%	0%
Finance Management	8 750	1,250	1,250	1,250	0%	0%
Municipal Infrastructure Grant	144 228	154 041	154 041	154 041	0%	0%
Restructuring Grant	12 397	-	-	-		
Infrastructure Skills Development Grant	-	19,230	-	19,230	0%	100%
Department of Water Affairs	166	-	-			
Levy replacement	-	-	-			
Other transfers/grants [Regional Sewer Scheme	11,747,	-	-			
Provincial Government:	70 360	52,230,	57,532,	52 290	-3%	-13%
Health subsidy	42,712,	49,314,	49,314,	43,414	-14%	-14%
HIV/AIDS Grant	562,	500,	500,	142,	-252%	-252%
Library Grants	7 207	780,	780	1 418		
DACE	228,	600,	1,100	2,100	71%	48%
Bontle ke Botho	1			0		
EPWP	4,961	1,036	5,838	5,216	80%	-12%
Social Development Grant	14,102	-	0	0		
Health Grant	68	-	-	0		
Intern Grant		-	-			
Debtors book Project						

Asset Management Project						
Housing	-	-	-			
Ambulance subsidy	-	-	-			
Sports and Recreation	520,	-	-			
District Municipality:	-	-	-			
MSIG (Sedibeng)	-	-	-			
Other grant providers:	26,330,	0	0	0		
<i>Red Ants</i>	26,330					
Total Operating Transfers and Grants	655,220,	674,944,	662,759,	671,876,		

5.3.2 Grant Performance

Grant Performance						
R' 000						
Description	2011/12	2012/13			2011/12 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustm ents Budget (%)
-						
<u>Capital Transfers and Grants</u>						
National Government:	192 585	198 208	198 208	170 570	-16%	-16%
Municipal Infrastructure Grant (MIG)	141 878	150 181	150 181	151 655	1%	1%
National Electrification Program	9 890	27	27	16 926	100%	100%
Restructuring Grant	12 397	40 000	40 000			
Electricity Demand Site Management	3 913	8 000	8 000	569	-1304%	-1304%
ICT Programme Grants	7 207			1 418	100%	100%
Kwa-Masiza Grant	15 500			0		
Asset Managemnt	1 800			0		

Grant Performance						
R' 000						
Description	2011/12	2012/13			2011/12 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustm ents Budget (%)
-						
Provincial Government:	0	0	0	0	100%	100%
Social Grand				0		
Other Grands	0	-		0		
District Municipality:	-	-	-			
Grants Ex-District						
Other grant providers:						
Total Operating Transfers and Grants	192 585	198 208	198 208	210 281	0	0

The Municipality managed to spend most of its grants, including 100% spending on the MIG allocation. The other grants not fully spent, are committed on projects at different implementation stages, to be completed in the 2013/14 financial year.

5.3.3 Grants received from sources other than DoRA

Grants Received From Sources Other Than Division of Revenue Act (DORA)						
Details of Donor	Actual Grant 2011/12	Actual Grant 2012/13	2012/13 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - Security Project	26,330,339.00	-	-	2011/01/31	2011/02/01	
A - Kwa-Masiza	15,500,000.00	-	-	2011/01/31	2011/02/01	
Foreign Governments/Development Aid Agencies						
Private Sector / Organisations						

There were no further allocations from sources/institutions other than the DORA. All allocations received during the 2011/12 financial year were fully utilized during that reporting period.

5.4 ASSET MANAGEMENT

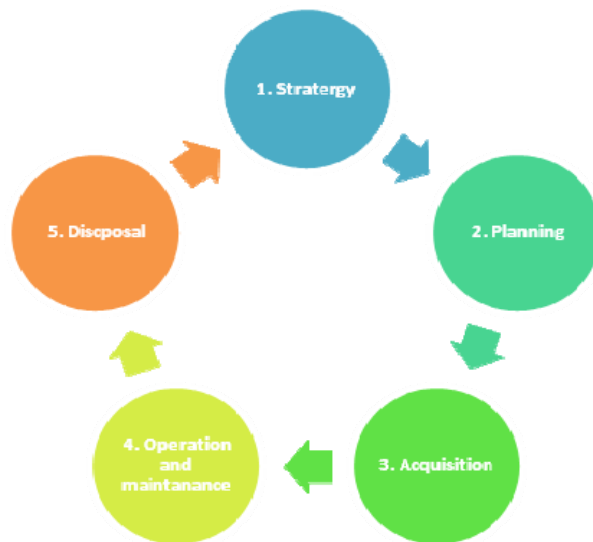
During the 2011/12 financial year, the municipality went on an intensive process of accounting for its assets, as advised by statute. Understanding that most infrastructure assets have been constructed/ acquired in the prior years, some records for acquisition/construction could have been lost or misplaced over a period of time; there was a need for a reconstruction of Assets Register. The reconstruction process involved identification, unbundling and valuation of assets and establishing proper records in this regard. The process enabled the municipality to address the findings as raised by Auditor General in the 2010/11 financial year, resulting in the unqualified report.

The focus in the 2012/13 financial year was on the review of the master plans, with intend of collating data, including the consideration of the existing records, to create a model which can integrate the accounting and maintenance of the assets. This was supported by the acquisition of IMQS system, to be utilized as a tool for synchronizing data for effective management of municipal assets, more to enhance service delivery through planned maintenance and/or replacement of ageing Infrastructure assets.

On completion of the data integration, the work-streams were created through service departments, for the purpose of verification to ensure the existence and conditions of the recorded assets. The established work streams were headed by technically knowledgeable individuals, reporting to the working committee on timely basis. This ensured thorough involvement of our technical personnel, who are key at constructing and maintaining the said assets. The outcome of the process resulted in the assets register

being restated at R 11,5 billion after taking into account corrections of prior errors, additions and fair valuation.

The asset management cycle at a high level is demonstrated below by figure no 1.



5.4.1 Treatment of the Three Largest Assets Acquired 2011/12

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2011/12				
R' 000				
Asset 1				
Name	Electricity Networks			
Description	Electricity components that includes cables, sub-station, high mast lights, poles etc.			
Asset Type	Infrastructure Asset			
Key Staff Involved	Electricity and Asset Management Department			
Staff Responsibilities	Management of asset and compliance requirements			
Asset Value	2009/10 ('000)	2010/11 ('000)	2011/12 ('000)	2012/13 ('000)
	6, 555, 528	,5, 899, 972	5, 114, 114	4, 461, 423
Capital Implications	To address backlogs			
Future Purpose of Asset	Service Delivery			
Describe Key Issues	Projected and processing growth on roads requirements			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Undeveloped Land			
Description	Land			
Asset Type	Infrastructure Asset			
Key Staff Involved	Properties department			
Staff Responsibilities	Properties department			
Asset Value	2009/10 ('000)	2010/11 ('000)	2011/12 ('000)	2012/13 ('000)
	13, 905	13,905	16, 740	28, 504
Capital Implications	To address backlogs			
Future Purpose of Asset	Service Delivery			
Describe Key Issues	Service backlogs			
Policies in Place to Manage Asset	Asset Management Policy			

Asset 3				
Name	Electricity Networks			
Description	The components includes waste water treatment works, pump stations, reservoirs			
Asset Type	Infrastructure Asset			
Key Staff Involved	Electrical and Asset Management Department			
Staff Responsibilities	Management of asset and compliance requirements			
Asset Value	2009/10 ('000)	2010/11 ('000)	2011/12 ('000)	2012/13 ('000)
	9, 105	8, 498	3, 499	3, 201
Capital Implications	To address backlogs			
Future Purpose of Asset	Service delivery			
Describe Key Issues	Not enough processing capacity to service the existing sanitation requirements. Water losses			
Policies in Place to Manage Asset	Asset Management Policy			

The Municipal Finance Management Act of 2003 section 19(2) (a) & (b) states that the municipality can only spend money on capital projects, if before approving a capital project, the council considered the projected cost covering all financial years until the project is operation, as well as the future operational costs and revenue on the project, including municipal tax and tariff implications. The above stated projects were funded from the grants over number of financial years until completion.

5.4.2 Repair and Maintenance Expenditure 2012/13

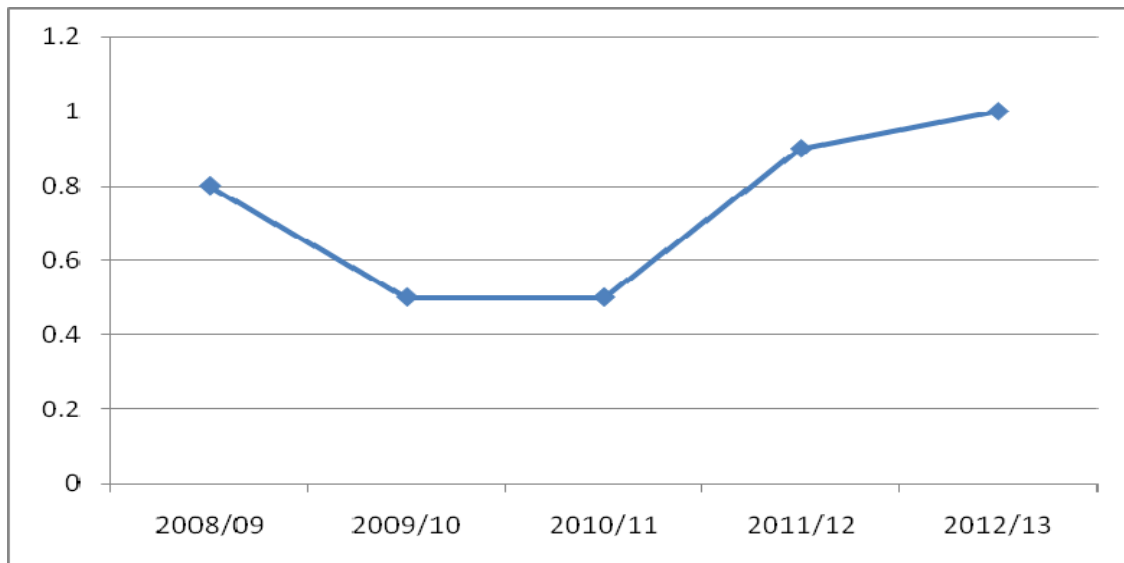
Repair and Maintenance Expenditure 2012/13				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	137 978	107 125	102 622	3%

The above table illustrate the 96 % spending on the allocated funds, which is an improvement as compared to the 75% achieved in the prior year (2011/12). The indicated under-spending was as a result of the cash flow constraints which restricted the spending, and priority has to be made on service delivery orientated assets. Our municipality is conforming to the requirements of the MFMA, Municipal Systems

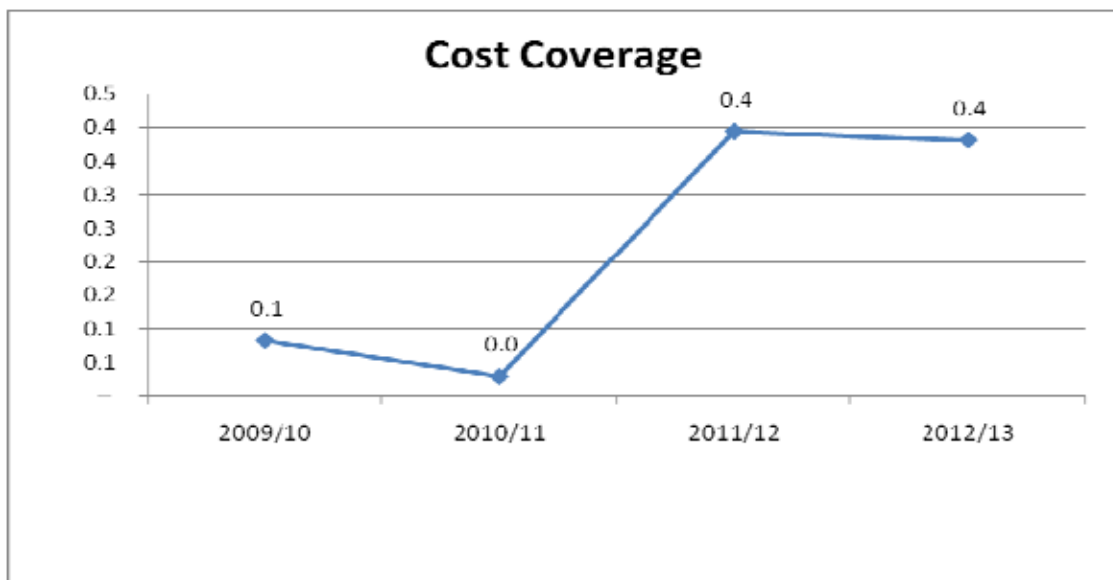
Act and other legislation in ensuring that adequate provision is made for long term maintenance for infrastructure assets.

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

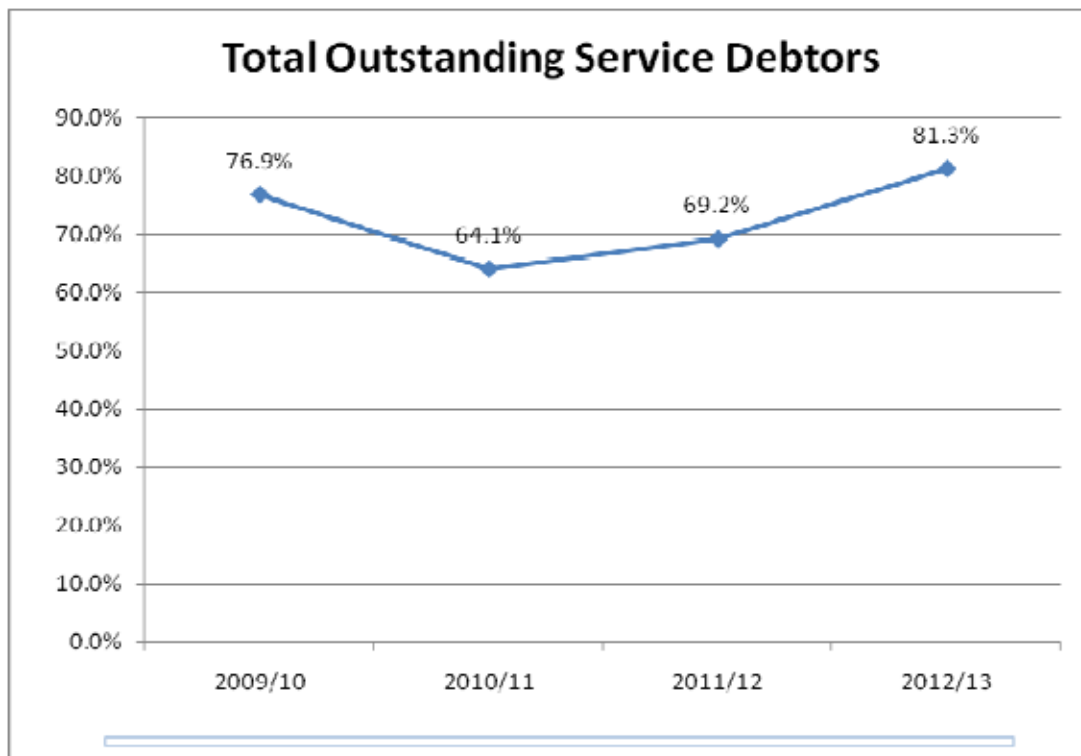
5.5.1 Current Ratio



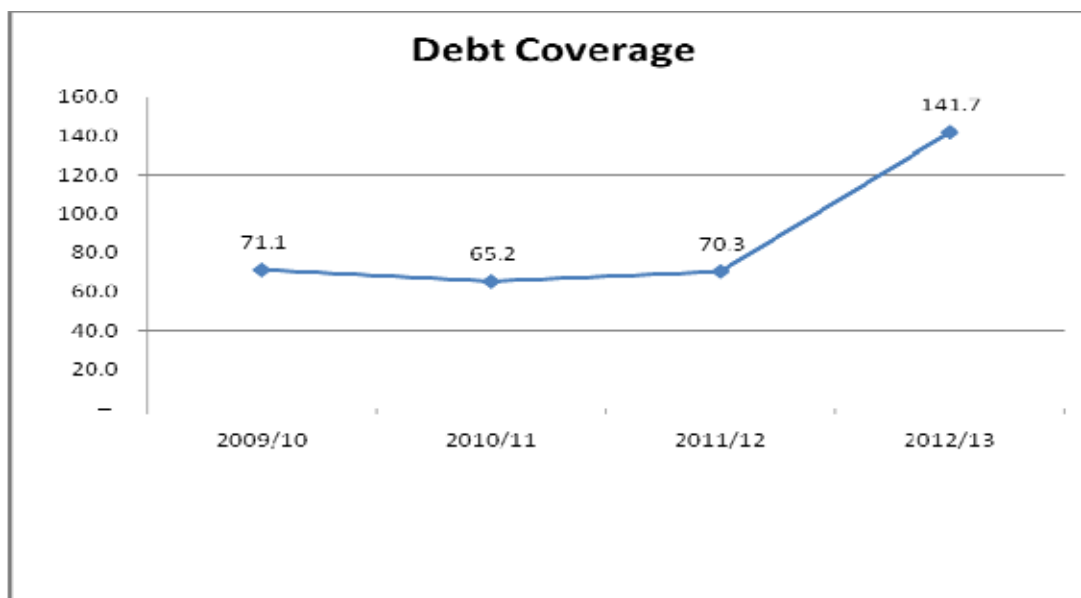
5.5.2 Cost Coverage Ratio



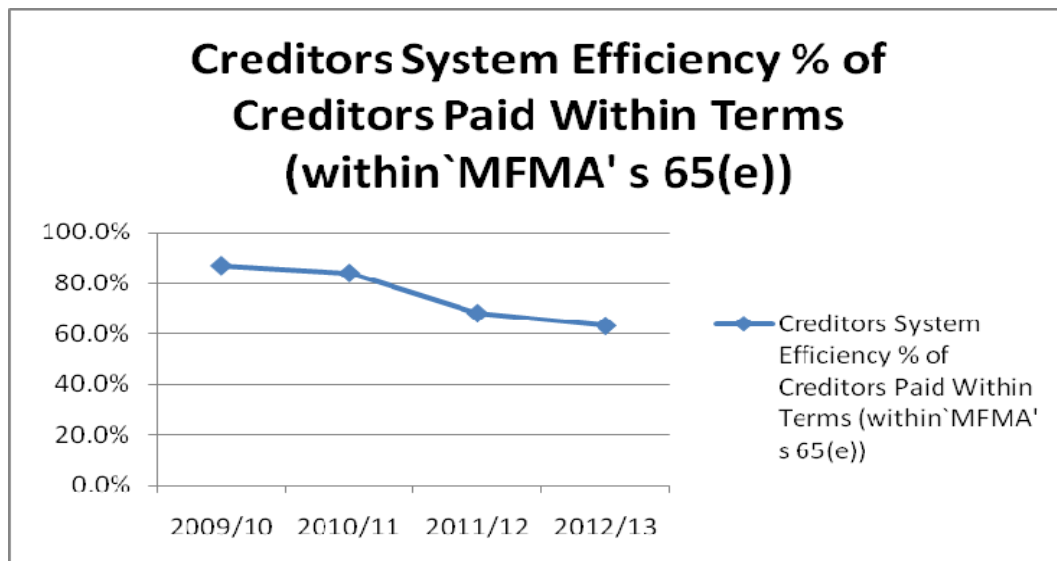
5.5.3 Total Outstanding Service Debtors Ratio



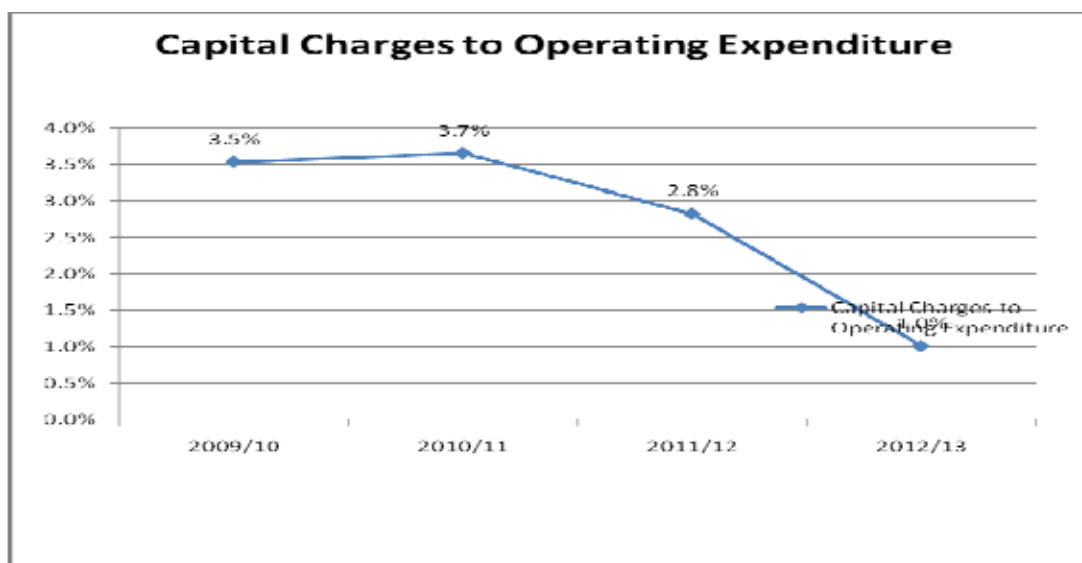
5.5.4 Debt Coverage Ratio



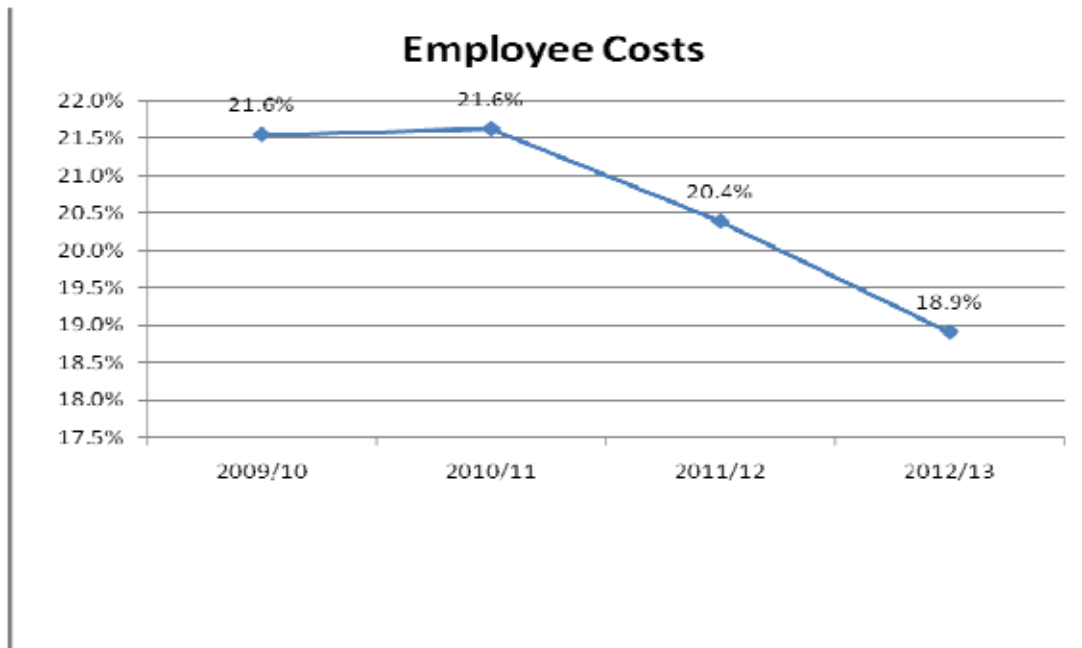
5.5.5 Creditors System Efficiency Ratio



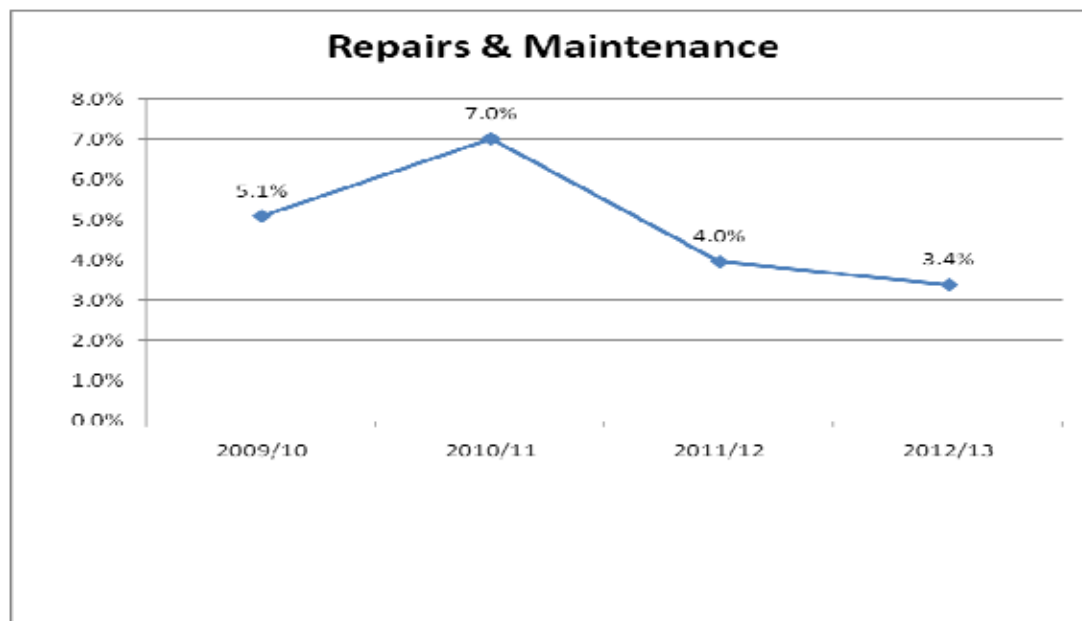
5.5.6 Capital Charges to Operating Expenditure Ratio



5.5.7 Employee Cost Ratio



5.5.8 Repairs and Maintenance



- The underneath narratives are based on a year to year analysis of the above reported results:

- The Municipality is on its path of financial recovery; this is indicative within its steady growth on its liquidity ratio. There is less dependency on debt, as most projects are funded either with grants and subsidies or own funds.
- The stated cash-flow challenges restrict the municipality on honouring its obligations for paying suppliers within 30 days. However, statutory obligations, i.e. Eskom, Rand water and personnel costs, are being paid on time. Other payables are being prioritised on the impact to service delivery and availability of the means to settle the dues.
- The serviced long-term loan amounted to R 26 million on the reporting date, while also the improvement on the municipal rating will increase it's chances of raising additional funds (borrowings) in future.
- There is an overall decline on the repairs and maintenance spending trends, year-on-year due to affordability and priority being applied to infrastructure assets. It is cautioned that this has a negative impact on the aged municipal infrastructure assets.

5.6. SPENDING AGAINST CAPITAL BUDGET

It is stated in MFMA chapter 4 that, municipal budget can be funded from realistic anticipated revenue, prior years funds not committed and borrowings (only for capital budget). Our Capital expenditure budget is thus funded mainly from own funds and grants, as required by the MFMA.

5.6.1 Capital expenditure

	% of Expenditure Budget	Original Budget	Adjustment Budget	Un-audited Full Year Total
R'000				
Capital Expenditure	8%	367	346	246
Operating Expenditure	92%	4,163	3,964	4,307
Total expenditure		4,520	4,310	4,553

5.6.2 Sources of funding

5.5 CAPITAL EXPENDITURE						
Capital Expenditure - Funding Sources 2011/12 - 2012/13 R' 000						
Details	2011/12	2012/13				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	0	0	0	0	0.00%	0.00%
Public contributions and donations	0	0	0	0	0.00%	0.00%
Grants and subsidies	160,521	261,739	274,297	161,573	4.80%	-38.27%
Other	60,137	105,749	72,028	47,799	-31.89%	-54.80%
Total	220,658	367,489	346,325	209,372	-75.52%	-65.41%
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	72.7%	71.2%	79.2%	77.2%	7.71%	-2.63%
Other	27.3%	28.8%	20.8%	22.8%	-26.05%	8.90%
Capital expenditure						
Water and sanitation	47,455	78,128	61,583	9,508	-21.18%	-87.83%
Electricity	47,925	108,554	82,955	48,267	-23.58%	-55.54%
Housing	15,500	0	0	0	0.00%	0.00%
Roads and storm water	37,827	38,326	106,300	109,194	177.36%	184.91%
Other	71,950	142,480	95,486	42,403	-32.98%	-70.24%
Total	220,658	367,489	346,325	209,373	-75.52%	-65.41%
Percentage of expenditure						
Water and sanitation	21.5%	21.3%	17.8%	4.5%	-368.16%	-291.57%
Electricity	21.7%	29.5%	24.0%	23.1%	-28.14%	-3.90%
Housing	7.0%	0.0%	0.0%	0.0%	0.00%	0.00%
Roads and storm water	17.1%	10.4%	30.7%	52.2%	80.00%	41.15%
Other	32.6%	38.8%	27.6%	20.3%	-91.44%	-36.14%
						T5.6.1

Our Capital expenditure budget is funded mainly from own funds and grants. Own funds constituted 20%, while grant funding is 80% of the total capital budget.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000	R' 000				
Details	Original Budget (OB)	Adjustment Budget	Actual	VARIANCE	
				Original Budget OB Variance (%)	Adjustment Budget AB Variance (%)
N:REGIONAL BULK INFRASTRUCTURE GRANT	40,000	40,000	-		
N:INVESTIGATE & DEV NEW GEN LANDFIL SITE	32,250	-	-		
R:UPGRADING OF DICKINSON PARK	28,000	27,191	7,223	-74.20%	-73.44%
N:EST.NEW MUN COURT IN SEBOKENGEVATON	23,600	1,033	665	-97.18%	-35.56%
R:20MVA; 8811KV TRF SWITCHGEAR @ VESCO	13,500	2,500	541	-95.99%	-78.35%

5.7.1 Comment on Capital Projects

Name of Project - A	Regional Bulk Infrastructure Scheme (grant funded)
Objective of Project	Cleaner environment and hygienic life
Delays	Project handed over to Rand Water for execution
Future Challenges	None, the project management team has been established, and the SLA endorsed
Anticipated citizen benefits	Cleaner health environment
Name of Project - B	Investigate & Development of new landfill site
Objective of Project	Cleaner environment and hygienic life
Delays	Bid cancelled due to non-responsiveness of bidders.
Future Challenges	Ability to attract suitably qualified bidders as per council's expectations.
Anticipated citizen benefits	Cleaner health environment
Name of Project - C	Dickenson Park Phase 1,2,3, and 4
Objective of Project	Vaal Triangle entertainment area
Delays	Changing of design and communication to the areas
Future Challenges	Expansion of the area
Anticipated citizen benefits	Entertainment area and create wellness environment in the Vereeniging and surrounding areas
Name of Project - D	New Municipal Court (Sebokeng/Evaton precinct)
Objective of Project	To enforce municipal by-laws
Delays	Project commenced in the later period of the financial year due to financial

	constraints(own funding)
Future Challenges	None
Anticipated citizen benefits	Safe and Secure area for all residents
Name of Project - E	Transfer switch gear at Vesco sub-station
Objective of Project	To address spillages into Vaal river due to lack sewer infrastructure within Emfuleni Local Municipality
Delays	Project commenced in the later period of the financial year due to financial constraints(own funding)
Future Challenges	None
Anticipated citizen benefits	Access to basic service and new development

5.8 CASHFLOW MANAGEMENT AND INVESTMENTS

The net cashflow from operating activities increased by 0.33%, this is due to consistent payment of suppliers and employee related costs as well as contained collection challenges . The cash used in investing activities is increased by 0.3 % when compared to the previous year's reported figure due to newly acquired assets; and cash used in financing activities dropped by 66% as well as a result of repayment of borrowings.

Included in the cash and cash equivalent is the ring-fenced investment on conditional grants amounting to R 31 million. The municipality has not acquired new long term loans since 2004 and the total borrowings amounted to R 26.8 million at the end of the year. The outstanding finance lease amount reduced to R 2.2 million as most of the lease agreement expired in the previous financial year (2011/12).

5.8.1 CashFlow

CashFlow Outcomes				
Description	2011/12	Current Year 2012/13		
	Restated	Original Budget	Adjusted Budget	Actual
CASHFLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	2,209,151	3,436,947	3,389,531	2 715 120
Government - operating	652 871	623,438	455,520	669 491
Government - capital	194 935	226,140	228,996	172 955
Interest	31,340	7,790	7,790	35,279
Dividends	10	0	0	3
Payments				
Suppliers and employees	-2 754 002	-3,998,261	-3,785,581	-3 296 987
Finance charges	-21 976	-10,854	-11,056	-32 425
Transfers and Grants	0	0	0	0
NET CASH FROM/(USED) OPERATING ACTIVITIES	272 418	285,200	285,200	273 324
CASHFLOW FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	0	0	0	103
Decrease (Increase) in non-current debtors	-132	0	0	0
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	55	0	0	0
Payments				
Capital assets	-190,688	-367,488	-346,325	-246 657
NET CASH FROM/(USED) INVESTING ACTIVITIES	-190 765	-367,488	-346,325	-246,562
CASH FLOWS FROM FINANCING ACTIVITIES				

Receipts				
Short-term loans		0	0	0
Borrowing long term/refinancing	-74 145	0	0	-21,976
Increase (decrease) in consumer deposits	2,352	0	0	401
Payments				
Repayment of borrowing	-6,841	-11,056	-11,056	-5,269
NET CASH FROM/(USED) FINANCING ACTIVITIES	-78 634	-11,056	-11,056	-26,844
NET INCREASE/ (DECREASE) IN CASH HELD	3,020	-93,344	-72,181	-81436
Cash/cash equivalents at the year begin:	124,767	127,787	127,787	127,786
Cash/cash equivalents at the year end:	127,786	34,443	55,606	127,704

5.9 BORROWING AND INVESTMENTS

Actual Borrowings 2010/11 - 2012/13			
R' 000			
Instrument	2010/11	2011/12	2012/13
Municipality			
Long-Term Loans (annuity/reducing balance)	93,217,114	32,189,976	26,921,161
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	77,583,241	77,583,241	2,235,990
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	170,800,355	109,773,217	29,157,151

Municipal and Entity Investments R' 000			
Investment* type	2010/11	2011/12	2012/13
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	106,324,517	114,928,212	118,653,146
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality Total	106,324,517	114,928,212	118,653,146

5.10 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management of Emfuleni Local Municipality has been implemented in terms of Chapter 11 of Municipal Finance Management Act No.56 of 2003; SCM Regulations of 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Supply Chain Management Policy and Procedure Manual were reviewed in February 2013. The purpose of reviewing SCM Policy and Procedure Manual was to address the inefficiencies noted within the procurement system, also the re-alignment with the legal framework and delegation of systems.

Council took a decision to decentralize the Supply Chain Management function as to address the deficiency and creation of backlogs within the system. It is understood that the approach will assist with the effectiveness and efficiency of the Supply Chain Management function.

The undermentioned bid committees, were established and are effective:

1. ***Bid Specification Committee*** (to formulate the specification, evaluation criteria, budget, sourcing Strategy, Compliance and etc.)

2. **Bid Evaluation Committee** (to evaluate the received bids and prepare evaluation report as per pre-determined criteria set by Bid Specification Committee and make recommendations to Bid Adjudication Committee)

3. **Bid Adjudication Committee** (to consider the recommendation from Bid Evaluation Committee and make award).

Procurement threshold for 2012/13 financial year and amount spend are as follows:

1. Procurement below R 30 000 amounted to R 50 255 138.08
2. Procurement above R 30 000 to R 200 000 amounted to R 7 687 032.70
3. Procurement above R 200 000 amounted to R 770 827 160.04

Procurement through deviation from supply chain management processes amounted to R 17 496 309

5.11 GRAP COMPLIANCE

The Municipality applied all effective GRAP standards and did not deviate from any of the standards applicable. The Municipality has applied the following standards and interpretations, which have been published and are mandatory as advised through Accounting Standard Board, directive 7

1. GRAP 24: Presentation of budget information in the financial statements.
2. GRAP 103: Heritage Assets
3. GRAP 21: Impairment of non-cash-generating assets
4. GRAP 26: Impairment of cash-generating assets
5. GRAP 23: Revenue from non-exchange transactions
6. GRAP 25: Employee Benefits
7. GRAP 104: Financial Instruments

6.1 ACTION PLAN TO ADDRESS AG FINDINGS: 2011/12

Significant uncertainties

As disclosed in note 33 to the financial statements, the municipality is a defendant in a number of legal cases. The ultimate outcome of these matters cannot currently be determined, and no provision for any liabilities that may result has been made in the financial statements.

Remedial Action Plan to be taken

The municipality has noted AG findings; in the next financial year assessment will be conducted to ascertain how much should be provided for in the AFS.

Restatement of corresponding figures

As disclosed in note 29 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of errors discovered during 2012 in the financial statements of Emfuleni Local Municipality at and for the year ended 30 June 2011.

Remedial Action Plan to be taken

Noted, the municipality had to adjust the AFS to achieve a fair disclosure

Material losses-Water losses

As disclosed in note 32 to the financial statements, the municipality suffered significant water losses during the financial year. Technical losses of 32 710 681 kilolitres amounting to R148 498 642 were incurred due to theft, faulty meters and leakages. Non-technical losses of 16 128 127 kilolitres amounting to R73 217 826 were incurred due to excess consumption above the council flat rate charge in unmetered formal areas.

Remedial Action Plan to be taken

Parts of water loss are attributable to non-billed water in the township that is in excess of 20 kilolitre flat rate that was charged in 2011/2012. The household are consuming about 30 kilolitres of water. The municipality is in a process of securing the court interdict to allow the municipality to take meter reading in order to eradicate the practice of flat rate billing and bill based on actual consumption.

Further the municipality will be replacing all broken meters that are reported by meter readers, and the asset register of Metsi a Lekoa is being audited against the meters that are on the Venus system to ensure completeness of revenue. Metsi a Lekoa is currently implementing the water conservation and demand management strategy which will reduce water losses by fifteen percent per annum in partnership with the private sector.

Material losses-Electricity losses

As disclosed in note 32 to the financial statements, the municipality suffered significant electricity distribution losses of 366 289 279 kilowatts amounting to R184 959 535. The losses are due to illegal connections and faulty meters.

Remedial Action Plan to be taken-Electricity Losses

Electricity losses for the period 2011/12 were approximately 15.98%. these losses include both technical and non-technical but it not possible to determine the % split between these two. In order to reduce the non-technical losses the municipality has embarked on the following

- The replacement of non-functional prepaid meters and the 54 000 00kWh installation of split type prepaid meters in all municipal owned flat;
- Auditing of bulk electricity meters 1 000 000kWh
- Ensuring that all municipal consumption is metered and billed 20 000 000kWh; and
- Ensuring that temporary connections are connected on a 100 000kWh continuous basis

The municipality is also in a process to improve its meter reading function which will lead to an increase in the actual units (kWh) billed and therefore lead to a reduction in the non-technical losses

Furthermore the municipality is investigating the possibility of implementing a "smart" metering system for both water and electricity which, once a suitable service provider is found, and the system implemented also assist in the reduction of non-technical losses. The magnitude of this project is however such that the implementation will take up to 3 years and the reduction of losses will therefore also take time to be achieved.

Further the municipality will be replacing all broken meters that are reported by meter readers, and the asset register of Metsi a Lekoa is being audited against the meters that are on the Venus system to ensure completeness of revenue.

Material impairments

As disclosed in note 3 to the financial statements, material impairments to the amount of R1 507 568 381 (86%) were incurred on trade and other receivables, as the recoverability of these amounts is doubtful.

Remedial Action Plan to be taken

The municipality will liquidate the debt book to ensure that all outstanding debt which is collectable is collected. The implementation of credit control measure will ensure that the accumulation is reduced.

Material under spending of the capital budget

As disclosed in note 41 to the financial statements the capital expenditure was underspent by 38% due to the inability of the municipality to raise cash flow for municipality funded capital expenditure.

Remedial Action Plan to be taken

The municipality will be implementing a turn-around strategy to ensure the collection level is improved. Part of the measure will include the procurement of service provider with capacity to monitor and prevent illegal reconnections that undermines the efficacy of our control procedures.

Additional matter**Unaudited supplementary schedules**

The supplementary information set out on pages ... to ... does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly I do not express an opinion thereon.

Remedial Action Plan to be taken

ELM responses: Noted

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the PAA and the general notice in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information (FMPPI).

The reliability of the information in respect of the selected programme is assessed to determine whether it adequately reflects the facts (i.e whether it is valid, accurate and complete).

The material findings are as follows:

Reliability of information

ELM's responses, the following findings are covered in the performance action plan

Validity

The FMPPI requires that processes and systems which produce the indicator should be verifiable. A total of 80% of the actual reported performance relevant to the selected programme differed materially when compared to the source information and/or evidence provided. This was due to lack of review for the recording of actual achievements by senior management.

Accuracy

The FMPPI requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. A total of 80% of the actual reported measures relevant to basic services were not accurate when compared to source information. This was due to a lack of review of actual achievements by senior management.

Completeness

The FMPPI requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant to 80% of the basic services programme. This was due to the institution's records not permitting the application of alternative audit procedures.

Remedial Action Plan to be taken

The municipality will be implementing a turn-around strategy to ensure the collection level is improved. Part of the measure will include the procurement of service provider

OBJECTIVE	OUTPUT	TIME-FRAME
Credible performance management process	Review performance management process	By 31 January 2013
credible performance measuring instrument	Review performance measuring instrument	By 31 January 2013
Revised performance management policy	Review and revise performance management policy	By 28 February 2013
Approved performance management framework	Draft performance management framework	By 31 March 2013
Approved guidelines for performance measuring instrument	Draft user guidelines for performance measuring instrument	By 30 April 2013
Credible, complete and reliable performance information	Develop framework for credible performance evidence	By 28 February 2013

Additional matter

I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

Of the total number of 262 planned targets, 151 were achieved during the year under review. This represents 42% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that the municipality did not implement relevant systems and evidential requirements during the annual strategic planning process.

Compliance with laws and regulations**Annual financial statements, performance and annual reports**

The annual performance report did not contain a comparison of the performance of the municipality and of each external service provider with development priorities, objectives and performance indicators set out in its integrated development plan as required by section 46 of the Municipal Systems, 2000 (Act No. 32 of 2000) (MSA).

Procurement and contract management

Goods and services of transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulations 19(a) and 36(1). Deviations were approved by the accounting officer even though it was not impractical to invite the competitive bids, in contravention of SCM regulation 36(1).

Remedial Action Plan to be taken

The municipality will be implementing the demand management strategy which in proper planning of procurement.

Awards made to people in service of the state

Awards were made to providers who are persons in the service of the state institutions, in contravention of SCM regulations 44. Similar awards were identified in the prior year, steps taken were not effective to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).

Remedial Action Plan to be taken

The finding is acknowledged, however at this stage the municipality does not have the means to monitor all people employed by government throughout the country, the municipality will investigate the system and mechanism that can assist in this regard.

Human resource management and compensation

The accounting officer did not provide job descriptions for all posts in the staff establishment as required by section 66(1) (b) of the MSA.

Remedial Action Plan to be taken

The matter has been resolved before the financial year end.

Expenditure management

Money owing by the municipality was always paid within 30 days of receiving an invoice or statement, as required by section 62(1) (d) of the MFMA.

Remedial Action Plan to be taken

As the municipality strives to improve its cash flow position through the implementation of the revenue turn-around strategy, the payment period of 30 days will be compliant with.

The accounting officer did not take reasonable steps to prevent irregular expenditure as required by section 62(1) (d) of MFMA.

Remedial Action Plan to be taken

The municipality will be implementing the demand management strategy which will assist in proper planning of procurement.

Revenue management

An adequate management, accounting and information system was not in place which recognized revenue when it was earned and accounted for accounts receivables, as required by section 64(2)(e) of MFMA.

Remedial Action Plan to be taken

A chief meter reader has been appointed to ensure that all meters are read accurately and timeously and captured in order to ensure that revenue is recognized as intended by MFMA

Internal control**Leadership**

The accounting officer did not implement effective human resource management to ensure adequate and sufficiently skilled resources are in place within the municipality

The accounting officer did not fully utilize the oversight responsibility regarding financial and performance reporting. The financial statements and performance information were not reviewed by internal audit prior to submission for audit. Material adjustments were therefore required on the annual financial statements and material findings were raised on the credibility of the performance information reported.

Remedial Action Plan to be taken

The process of preparing financial statement will be developed and adhered to in ensuring that internal audit can review the financial statement before submission to the Office of the Auditor-General.

Oversight structure

The accounting officer did not fully utilize the oversight structures of the municipality. Even though internal audit and audit committee findings were raised the accounting officer did not fully implement the audit recommendations.

Remedial Action Plan to be taken

Internal audit findings are a standing item in the Senior Management Team meeting agenda to ensure that internal audit recommendations are implemented and reported on.

Financial and performance management

The municipality did not have sufficient monitoring controls to ensure that financial and performance reports are supported by complete, relevant and accurate information.

Remedial Action Plan to be taken

This will be addressed in performance management action plan and further the financial information will be audited timely.

Compliance with laws and regulations

This includes information that relates to the collection, collation, verification, storing and reporting of actual financial and performance information.

Management did not review and monitor compliance with applicable laws and regulations. Non-compliance with laws and regulations such as the MFMA, SCM regulations and PPPF Act regulations could have been prevented had compliance been properly reviewed and monitored.

Remedial Action Plan to be taken

The SCM policy will be reviewed annually to ensure compliance with applicable regulations as required

Anti-fraud Strategy

Lack of updated approved and implemented Anti-fraud and Corruption Strategy

Remedial Action Plan to be taken

The fraud risk assessment will be conducted and the Anti-fraud and Corruption Strategy update and approved by the 30 June 2013

IT Risk Framework

The IT Risk Framework was not approved and implemented

Remedial Action Plan to be taken

The IT Risk Framework will be developed as a collaborative effort between Risk Management and the IT department and approved by the 30 June 2013

6.2. ACTION PLAN TO ADDRESS AG FINDINGS: 2012/13

Management comments and corrective action to be instituted on the matters raised in the Auditor General report for the year ended June 2013 in terms of section 121(4)(e) of the Municipal Finance Act

6.2.1 Misstatement of the post employment health care benefits

The auditors noted differences were between the actuarial report and the amounts disclosed in the AFS.

Remedial Action Plan to be taken

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

6.2.2 Non- inclusion of the statement of financial position and cash flow components in the budget statement

We noted that the budget statement did not include the statement of financial position and cash flow components as required by GRAP 24.

Remedial Action Plan to be taken

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

6.2.3 Cash flow from financing activities: misstated balance

We noted the differences relating to cash flow from financing activities for comparatives

Remedial Action Plan to be taken

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

6.2.4 Cash flow statements: Proceeds from disposals of assets and purchases of assets

We noted that the proceeds from the disposal of PPE were accounted as the value of the carrying amount of the assets at the time of disposal and not the actual cash received in respect of the disposal. The purchases were reflected as the amount recognised according to GRAP 17 and GRAP 103, which is not consistent with the cash basis.

Remedial Action Plan to be taken

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

6.2.5 Cash flow statement: Amount disclosed for other receivables not presented on a cash basis

We noted that amount disclosed for other receivables from non exchange transactions does not excluded the non cash movement for the provision for debt impairment (the municipality did not use the gross amounts to calculate the cash movement).

Remedial Action Plan to be taken

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

6.2.6 Cash flow Statement: Classification of movement of environmental provision to employee costs

We noted that amount disclosed for employee costs incorrectly included the movement for the provision for environmental rehabilitation.

Remedial Action Plan to be taken

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

6.2.7 Non disclosure of commitments in the AFS

We noted that the municipality did not include a disclosure note for Commitments in the annual financial statements submitted for audit as required by GRAP 1.

Remedial Action Plan to be taken

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

6.2.8 Misstatement of the statement of financial performance (other Income)

We noted that the line item relating to other income in the statement of financial performance had been misstated by R 31 842 116 (2012: R19 722 737), due to inclusion of departmental charges

Remedial Action Plan to be taken

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

6.2.9 Misstatement of distribution losses (electricity)

We noted that the distribution losses (electricity) disclosed in the AFS were misstated

Remedial Action Plan to be taken

Monthly reconciliation of electricity purchases and sales. (This is performed by electrical department with the assistance of revenue providing billing information)

6.2.10 Misstatement of the value of contingent liabilities disclosed

The amount has been incorrectly disclosed as contingent liability, whereas the municipality was identified as the plaintiff/applicant

Remedial Action Plan to be taken

To explore the possibility of reaching an amicable out-of-court settlement or to set the matter down for hearing

6.2.11 Invoices not paid within 30 days

During the inspection of creditors' listing ageing analysis we noted that the municipality has a balance of R181 219 100.29 outstanding as at 30 June 2013, that is overdue for a period of more than 30 days.

Remedial Action Plan to be taken

Improve the cash position of the municipality, by embarking on the revenue enhancement and strategic procurement (alignment of procurement plans to the cash-flow forecasts), Realistic budgeting (funded and credible budget). Results will be visible in the 2014/15 financial year outcome.

6.2.12 Performance indicators and targets not in accordance with municipal systems Act

It was noted that some of the indicators and targets on the service delivery and budget implementation plan and annual performance report does not meet the usefulness criteria as determined by the framework for managing performance information.

Remedial Action Plan to be taken

During the Mid-year the KPIs will be revised to comply with the National Treasury Framework for managing performance information

6.2.13 Planned targets not reported in the annual performance report

It was noted that some of planned indicators were not consistent with the annual performance report as indicated by the below tables extracted from the annual performance report and SDBIP.

Remedial Action Plan to be taken

This finding will be addressed when writing the 2013/2014 Annual Performance Report.

6.2.14 Targets on the annual performance report not complete and accurate

We noted that actual achievements as reflected on the annual report are not accurate and complete as compared to supporting information.

Remedial Action Plan to be taken

This finding will be addressed when writing the 2013/2014 Annual Performance Report.